

Welling

威靈控股有限公司
WELLING HOLDING LIMITED

Stock Code 股份代號 : 0382

Annual Report 年報 **2012**



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Directors

Executive Directors

Mr. ZHOU Xiangyang (*Chairman*)
Mr. JIANG Deqing (*Chief Executive Officer*)
Ms. YUAN Liqun
Mr. LI Feide
Mr. LU Xiaoji
Mr. LI Yang

Independent Non-executive Directors

Mr. TAN Jinsong
Mr. LAM Ming Yung
Ms. CHEN Chunhua

Audit Committee

Mr. TAN Jinsong (*Chairman*)
Mr. LAM Ming Yung
Ms. CHEN Chunhua

Remuneration Committee

Ms. CHEN Chunhua (*Chairman*)
Mr. TAN Jinsong
Mr. LAM Ming Yung
Mr. ZHOU Xiangyang
Mr. JIANG Deqing

Nomination Committee

Mr. ZHOU Xiangyang (*Chairman*)
Mr. JIANG Deqing
Mr. TAN Jinsong
Mr. LAM Ming Yung
Ms. CHEN Chunhua

Executive Committee

Mr. ZHOU Xiangyang (*Chairman*)
Mr. JIANG Deqing (*Chief Executive Officer*)
Ms. YUAN Liqun
Mr. LI Feide
Mr. LU Xiaoji
Mr. LI Yang

董事

執行董事

周向陽先生(*主席*)
姜德清先生(*首席執行官*)
袁利群女士
李飛德先生
呂曉繼先生
李楊先生

獨立非執行董事

譚勁松先生
林明勇先生
陳春花女士

審核委員會

譚勁松先生(*主席*)
林明勇先生
陳春花女士

薪酬委員會

陳春花女士(*主席*)
譚勁松先生
林明勇先生
周向陽先生
姜德清先生

提名委員會

周向陽先生(*主席*)
姜德清先生
譚勁松先生
林明勇先生
陳春花女士

行政委員會

周向陽先生(*主席*)
姜德清先生(*首席執行官*)
袁利群女士
李飛德先生
呂曉繼先生
李楊先生

Company Secretary

Ms. TANG Wai Ying, Tracy CPA FCCA

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PricewaterhouseCoopers
Certified Public Accountants
22nd Floor Prince's Building
Central
Hong Kong

Principal Bankers

Bank of China Ltd.
Agricultural Bank of China Limited
Industrial and Commercial Bank of China Ltd.
China Merchants Bank Co., Ltd.
Bank of Communications Co., Ltd.

Share Registrar

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Stock Code

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公司秘書

鄧惠英女士 CPA FCCA

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核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
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主要銀行

中國銀行股份有限公司
中國農業銀行股份有限公司
中國工商銀行股份有限公司
招商銀行股份有限公司
交通銀行股份有限公司

股份過戶登記處

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公司網址

<http://www.welling.com.cn>

股份代號

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Annual Profit

The audited profit attributable to the owners of Welling Holding Limited (the "Company") and earnings per share of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2012 (the "Year") amounted to approximately HK\$640,256,000 (2011: approximately HK\$607,563,000) and HK22.69 cents (2011: HK21.56 cents) respectively, representing a profit growth of 5.4% as compared to the results of last year. Our gross profit margin for year 2012 increased to approximately 15.7% (2011: approximately 11.5%).

Overview

The business environment in 2012 was extremely difficult for enterprises. The European sovereign debt crisis continued to unfold, the United States Federal Reserve Board further implemented the quantitative easing in monetary policy and the international financial market and commodity market kept fluctuating. All of these factors combined to drag down the global economy. As affected by external economic conditions, domestic economic growth slowed down with high inflationary pressure in China, and improvements were not seen until the fourth quarter when domestic consumption and external demand picked up. In general, the whole year has been affected by the macro-environment. For the whole year, in addition to the impact of macro economy, the implementation of the government's real estate control policy with further outreach and the expiry of several stimulus policies such as the "Home Appliances Subsidy for Rural Areas" (covering ten provinces and municipalities including Hubei, Anhui, Jiangsu and Chongqing) have led to a full correction for the home appliance industry in China. The new round of "projects on energy-saving products for the people's benefit" has further driven product mix adjustment in the home appliance industry. Industries engaged in intermediary products such as home appliance motors and their components, the demand for which was dependent on the end-products of home appliances, have suffered from the severe impact as a consequence.

Confronted with the challenges of a difficult market environment, the Group continued to pursue strategic transformation in order to persistently enhancing the value of corporate assets with focus on the quality of growth. Through the improved management and enhanced products quality, we are striving to pursue the maximisation of our profit. To further deepen our strategic transformation, integrate our resources and optimise operation flow, the Group underwent a significant organisational restructuring with the merge of two original major business divisions (Micro Motor Division and Washing Motor Division) to become the new Motor Division in December 2012.

全年利潤

威靈控股有限公司(「本公司」)及其附屬公司(合稱「本集團」)截至二零一二年十二月三十一日止年度(「本年度」)經審核本公司擁有人應佔利潤為約港幣640,256,000元(二零一一年：約港幣607,563,000元)，及每股盈利為22.69港仙(二零一一年：21.56港仙)；利潤較去年增長5.4%。本集團二零一二年之毛利率上升至約15.7%(二零一一年：約11.5%)。

業務概覽

二零一二年是企業經營環境極為困難的一年。歐債危機持續發酵，美國聯邦儲備局繼續實施量化寬鬆政策，國際金融市場和大宗商品市場震盪加劇，使全球經濟景氣下行。受外圍經濟因素影響，國內經濟增長放緩，通脹壓力增大，直至第四季度，國內消費和外需逐步回升，中國經濟才漸有好轉。就全年而言，受大環境影響，加之政府的房地產調控政策深入，「家電下鄉」(湖北、安徽、江蘇及重慶等十省市)等多項刺激政策陸續到期，導致中國家電行業全面進入調整期，新一輪「節能產品惠民工程」進一步推動家電行業的產品結構調整。而與家電終端產品對應的家電電機及配件等相關中間產品行業也受到了嚴重衝擊。

面對惡劣的市場環境，本集團持續推行戰略轉型工作，不斷使企業資產良性化，注重增長質量，通過管理改善和質量提升，追求利潤最大化。為深化戰略轉型，整合資源，簡單化運作，本集團對架構進行了重大調整，於二零一二年十二月合併了原有兩大主要事業部(微電機事業部與洗滌電機事業部)成為新的電機事業部。

In connection with the product mix adjustment and customer base expansion, we continued to strengthen our management and development of strategic products, while increasing our efforts in brand building and new product promotion to raise our brand recognition. We capitalised on the rapid development of frequency conversion for domestic home appliances by making prompt decisions to advance the investment in and accelerate the expansion of our production capacity for direct-current motors to snatch up share in the domestic market for direct-current motors. We have expedited the process of product development matching for our cooperative strategic customers at their overseas bases in China. As a result, breakthrough in sales has been achieved with a year-on-year growth of 123%, coupled with the development of the most comprehensive range of products in the sector of direct-current motors for home air-conditioners and a substantial increase in market share which has put us in a dominant position among Chinese enterprises in this industry and further enhanced our reputation. After enhancing cooperation with our existing customers in air-conditioning alternate-current motors, commercial production of commercial motors for supply to top-brand manufacturers has started smoothly. Besides, we also strengthened collaboration with manufacturers specialised in central air-conditioners and substantially increased the customer satisfaction and dependence. Cultivation of strategic products is in good progress, we continued to fortify our cooperation with servo motors manufacturers and also increase our efforts in the development of vehicle motors, sales of which increased by 319% as compared to the same period of last year. We have accelerated the development of booster pumps for water purifiers and started bulk supply.

With regard to technological innovation, a two-tier specialised regime for technological research and development ("R & D") has been built comprising the Technology Development Centre in Shunde headquarter and the Shanghai R & D centre. The Technology Development Centre is fully responsible for the new products development and the R & D system management, while the Shanghai R & D centre is responsible for the research of cutting-edge technologies, development of platforms for novel products and patent management. Currently, these two centres employ a total of 198 professionals specialised in R & D, of whom four people are Ph.D. degree holders and forty people are master's degree holders. In 2012, Motor Division filed a total of thirty-three (33) applications for patent registration, of which eight (8) applications are patent for invention.

在產品結構調整和客戶拓展方面，繼續強化戰略產品的管理和拓展，同時，加大品牌和新產品宣傳投入，提升品牌影響力。抓住國內家電產品變頻化發展迅速的契機，公司果斷決策，提前投入，加快擴充直流電機的產能，率先搶佔國內直流電機市場，同時加快戰略客戶海外基地的產品開發匹配進程，實現銷售量突破，較去年同期增長123%，在家用空調直流電機領域形成最為齊全的產品開發系列，市場份額大幅提升，在中資企業中佔據絕對優勢地位，行業口碑進一步提升。加深現有空調交流電機客戶的合作，商用電機順利向一線品牌廠商批量供貨，專業性中央空調生產商合作加強，切實增加了客戶的滿意度和依靠度。戰略培育產品成長趨勢良好，繼續鞏固與伺服電機廠商的合作，加大汽車電機的市場開拓力度，銷售量較去年同期增長319%，加快推動淨水器增壓泵批量供貨。

在技術創新方面，順德總部的技術開發中心，與上海研發中心形成了兩個專業層次的技術研發結構，技術開發中心全面負責新品開發和研發體系管理。上海研發中心負責尖端技術研究、全新產品平台開發和專利管理。截至目前兩地共配備的專業研發人員合計有一百九十八名，其中博士四名，碩士四十名。二零一二年，電機事業部申報專利三十三項，其中發明專利八項。

For enhancement of product quality and manufacturing technologies, we continued to hire experts specialised in quality control and lean production process from Japan, Korea and Hong Kong in 2012 to help enhance the motor manufacturing technologies and product quality management standard. Through adjustment to our manufacturing layout, we enhanced our on-site management, perfected our quality management system. We fully implemented total quality management model to achieve continuous improvements in production efficiency and product quality.

In investment management, we have swiftly expanded our production capacity for air-conditioning direct-current motors to increase the annual production volume to fulfill the customers' requirements and expedited the construction progress of the commercial motors production base in Changzhou, in a bid to capitalise on opportunities presented by the switch from alternate-current technologies to direct-current technologies in the air-conditioners industry as well as the future trend of focusing on commercial air-conditioners.

In conclusion, the Group underwent internal and external adjustment for transformation in 2012 which help achieve the greatest possible effect of reducing the negative impact of a deteriorating economic environment through implementation of a range of effective measures. As such, our Group has secured significant improvements in corporate profitability and fortified the market position of our principal products. This is conducive to lay down an effective mechanism and management foundation which could benefit the Group for its long-term and sustainable development.

在產品質量和製造技術方面，二零一二年，持續引進日本、韓國、香港等地的質量專家和精益製造專家提升電機製造技術和產品質量管理水平，通過調整製造佈局，提升現場管理，同時完善質量管理體系建設，貫徹全面質量管理模式，生產效率及產品質量得以持續提升。

在投資管理方面，抓住空調行業由交流技術向直流技術轉變的發展機遇及未來會以商用空調領域為主流的發展機會，迅速擴充空調直流電機產能以增加年產量滿足客戶需求，並加快推進常州商用電機生產基地的建設進度。

總的來說，二零一二年本集團由內而外進行了轉型調整，通過一系列有效措施，最大程度的降低了經濟環境惡化帶來的負面影響，企業盈利能力得到明顯提升，主導產品行業地位得到鞏固，為集團的長期可持續發展奠定了有效益的機制和管理基礎。

Prospects

2013 will be a crucial year for the Group's endeavour to advance its institutional transformation and management upgrade and to improve its profitability in all aspects. The economies at home and abroad are currently undergoing a period of austerity and are expected to remain so in the foreseeable future, while the negative impact of the European sovereign debt crisis has yet to be fully written off. The energy prices, raw material prices, investment input for environmental protection continue to rise, in particular, labour cost is still a major issue for the manufacturing sector. The ongoing real estate control policy and the expiry of the subsidy policy for rural areas under the universal benefit regime, both will adversely affect the home appliance industry and its related sectors. However, the possibility of further deterioration in the economy of the United States and Eurozone reduced, the economy of China is expected to stabilise and the real estate market rebounded, it is expected to drive up the domestic and export demand for China's home appliances. Our strategic direction clearly articulated, we are fully aware that opportunities as well as risks exist in the market. Our work in transformation and upgrade is in compliance with the government's directives to drive industrial upgrade and consolidation and in line with the trends of the home appliance industry, namely transformation and upgrade, product mix optimisation and changing development patterns. As a leading enterprise of the home appliance motor industry, we will continue to keep close with the development trends of the industry and the related government policies, conduct in-depth research on the industry's development trends, accelerate the launch of new products and reinforce the market position of our core products, leverage on the irreversible trend of the use of direct current in frequency conversion technology to continue to accelerate the adoption of direct current in our product lines, enhance the expansion of our production capacity of direct current motors to enable the full use of direct current in air-conditioners, refrigerators and washing machines, striving for significant growth in direct current motor so that it will become a core pillar product of the Company; meanwhile, we will actively incubate and develop products other than home appliance motors, such as servo motors and vehicle motors, through enhanced cooperation with external excellent enterprises.

展望未來

二零一三年是本集團深化機制轉換和管理升級、全面提升盈利能力的關鍵一年。雖然，當前及未來一段時間國內外仍將處於經濟緊縮時期，歐債危機帶來的負面影響目前仍未消退，而能源價格、原材料價格、環保投入、特別是人工成本等則持續攀升，仍將是製造業面對的主要問題；加上房地產調控政策的持續，普惠制下鄉補貼政策的結束，都將給家電及相關行業帶來重大影響。但是，美國和歐元區的經濟繼續惡化的可能性減小，中國經濟有望企穩，房地產銷量有回暖跡象，中國的家電產品出口有望提升。我們明確戰略方向，明白風險與機遇並存。我們的轉型升級工作，符合國家推進產業升級和業內兼併重組的導向，順應家電業轉型升級、產品結構優化、發展方式轉變的趨勢，作為家電電機行業的龍頭企業，持續關注行業發展動向和國家相關政策，深度研究行業發展趨勢，加快新產品的推出，鞏固主導產品的市場地位，把握變頻直流化不可逆轉趨勢，繼續擴大產品線直流化步伐，加大直流產能擴充，實現空調、冰箱、洗衣機全直流覆蓋能力，力爭直流電機繼續大幅增長，成長為公司核心支柱產品；同時通過加大與外部優秀企業的合作，積極培育、拓展家電電機以外的產品，如同服電機及汽車電機等。

In 2013, the Group will continue to expedite its pace of product mix adjustment and persist to focus on core products. So long as profitability is secured, we will strive to maximise our market scale and steadily increase our market share; leverage on market opportunities to improve market share of our strategic products; and enhance the R & D of new products and technologies in connection with incubated products in order to step up with market development. We will continue to increase our efforts in expansion of external customers and seek more businesses with major customers by broadening the scope of cooperation. We will focus on seeking new customers from new markets and deepen our collaboration with expert central air-conditioners manufacturers as well as Asian giant enterprises of washing products. We will strengthen our competitive edge in core technologies and improve the core competitiveness of our products by continuing to increase investments in R & D and enhance the building of our R & D system and technology expert teams, perfecting our R & D regime and advancing our research in fundamental technologies. We will also continue to optimise our corporate assets, raise our level of lean production process, carry out changes in manufacturing technologies at more sophisticated level, and exercise stringent control over investment risks. Further improvement in product quality will be sought through ongoing initiatives for the perfection of quality control and the implementation of a quality management regime focused on product quality.

Looking ahead, while significant turnaround of the global economy in the near future is not likely to happen, there are indeed slight improvements in the economic fundamentals conditions of the United States and Euro zone. In China, competition in the home appliance industry has become more rational, while emerging economy entities will still hold out more development opportunities. The Group will adjust its strategy in a timely manner based on market requirements, and will also enhance forward-looking research based on the technological development trends and product features of this industry, so that it will be able to promptly seize any market opportunities and maintain its leading edge among peers, in a bid to grow into one of the world's best suppliers of home appliance motors, efficient energy-saving motors and related solutions, providing sustainable returns for shareholders, sound career development opportunities for employees and ever greater value for the community in general.

二零一三年，本集團將繼續加快產品結構調整，堅持聚焦核心產品，在利潤保證的前提下，爭取市場規模最大化，穩步提高市場佔有率；把握市場機遇，提升戰略產品的市場份額；加大培育產品的新產品、新技術研發，加快市場拓展。繼續加大外部客戶的拓展力度，深耕細作大客戶，擴大合作的深度和廣度；重點突破新市場新客戶，深化與專業中央空調製造商、亞洲洗滌類產品巨頭的合作。繼續加大研發投入，繼續加強研發系統和技術專家隊伍的建設，完善研發體系，推進基礎技術研究，強化核心技術優勢，提升產品的核心競爭力。繼續優化企業資產，提升精益製造水平，深化製造技術變革，嚴控投資風險。繼續完善質量管控，在生產過程中以關注產品品質為優先提高產品質量。

展望未來，全球經濟短期內雖不會有大的好轉，但美國、歐元區基本面略有改善，國內家電行業競爭漸趨理性，新興經濟體仍擁有較大發展機遇，本集團將會根據市場需求結構及時調整策略，同時根據行業技術發展方向及產品特性加強前瞻性研究，及時把握市場機遇，始終保持行業領先優勢，務求成為全球優秀的家電電機、高效節能電機和相關解決方案供貨商之一，為股東提供可持續性回報，為員工提供良好的職業發展機會，為社會創造更大的價值。

Acknowledgement

Last but not least, I would like to thank our shareholders, customers and business partners for their support, and the members of the Board, the management team and all employees for their efforts in and contributions to the Group's business development over the past year. As our management and staff continue to strive forward in concerted efforts, I am sure we will be able to take on any future challenges and excel from strength to strength.

Zhou Xiangyang

Chairman

11 March 2013

致謝

最後，本人謹借此機會感謝股東、客戶及合作夥伴的支持，感謝各董事，各管理人員及全體員工為本集團的業務發展於過去一年所做出的努力和貢獻。希望管理層與全體員工繼續共同努力，迎向未來挑戰，再創佳績。

主席

周向陽

二零一三年三月十一日

Business Review

Financial Results

The Group's profit attributable to the owners of the Company and earnings per share for the year ended 31 December 2012 amounted to approximately HK\$640,256,000 (2011: approximately HK\$607,563,000) and HK22.69 cents (2011: HK21.56 cents) respectively, representing a profit growth of 5.4% as compared to the same period last year.

The Group's turnover from continuing operations for the year ended 31 December 2012 amounted to approximately HK\$7,787,502,000 (2011: HK\$10,490,373,000), representing a decrease of approximately 25.8% as compared to the same period last year. The Group's gross profit margin was approximately 15.7% (2011: 11.5%). Net asset value per share of the Group as at 31 December 2012 was HK\$1.08 (2011: HK\$0.89).

Analysis of Major Business Operations

In 2012, domestic and global economic situation continued to deteriorate and such continuous downslide was unexpected. Economic growth in China slowed down, Eurozone economy headed for recession and recovery of U.S. economy remained sluggish. In the fourth quarter, China showed signs of economic upswing on the back of, among others, gradual rebound of domestic consumption, modest increase in overseas demand as well as expanding investments.

業務回顧

財務業績

截至二零一二年十二月三十一日止年度，本公司擁有人應佔本集團利潤約港幣640,256,000元(二零一一年：約港幣607,563,000元)，及每股盈利為22.69港仙(二零一一年：21.56港仙)，利潤較去年同期增長5.4%。

於截至二零一二年十二月三十一日止年度，本集團持續經營業務的營業額為約港幣7,787,502,000元(二零一一年：港幣10,490,373,000元)，同比下跌約25.8%，本集團的毛利率為約15.7%(二零一一年：11.5%)。於二零一二年十二月三十一日，本集團之每股資產淨值為港幣1.08元(二零一一年：港幣0.89元)。

主要業務經營情況分析

二零一二年，國內外整體經濟形勢持續惡化，出現了超預期的持續回落，中國經濟增長放緩，歐元區經濟衰退，美國經濟復蘇緩慢。及至第四季度，在國內消費逐漸回復增長、外需增速小幅度回升、加上投資持續加碼等因素帶動下，中國經濟漸有好轉。

Having affected by the continuing impact of macroeconomic factors and domestic real estate control policies since the second half of last year, the electrical household appliances industry entered into a phase of adjustment throughout the year of 2012. Additionally, market demand for electrical household appliances showed periodic saturation as a result of over-consumption boosted by prior government policies, leading to an excessive production capacity in the entire industry. Shrinkage in sales scale affected the earnings of manufacturers of electrical household appliances and related industries adversely. In addition, labour cost as well as prices of energy and input for environmental protection kept rising that imposed great pressure for these enterprises on profitability. With an aim to regain market confidence and explore consumption potential, the PRC government launched a new round of “projects on energy-saving products for the people’s benefit” in the mid-2012. Concerns of this policy focus on product energy-saving aspects but not on the increase in sales volume. As such, effectiveness of the project would be more reflected in procuring product structure adjustment as well as encouraging enterprises to increase investments in research and development of energy-saving technologies. In the meantime, the PRC government revised a set of efficiency standards for electrical household appliances for further upgrading the industry. Furthermore, sales of commodity housing have been picking up and a large number of indemnifactory housing units have been ready upon final inspection and receiving since the second half of 2012. As a result of the combined effects as aforesaid, a restoration of confidence among industry players has been turned into action to grasp market opportunities by strengthening research and development on energy-saving products. Accordingly, the Group has seized opportunities for growth in strategic products under its initial planning, such as direct current motors, with concrete results shown in the second half of 2012.

1. Motors Business

In 2012, domestic market of air-conditioners, refrigerators and washing machines continues to be in a phase of adjustment. Air-conditioner industry, affected by the adjustment in sales strategy of air-conditioner manufacturers, basically is in an effort to clear inventory. Washing machine industry will be developed with focus on the aspects of ecological design, frequency conversion technology, wash load capacity, washer tube, intelligent design and energy-saving etc. From January to December 2012, as compared to the figures of the same period last year, total sales volume of household air-conditioners for domestic and overseas markets decreased by 3.9%, total sales volume of central air-conditioners for domestic and overseas markets increased by 4.2%, total sales volume of refrigerator compressors for domestic and overseas markets increased by 6.9% and total sales volume of washing machines for domestic and overseas markets showed a slight drop of 0.13%. (Source of the aforesaid figures: www.chinalOL.com).

二零一二年全年，仍承接去年下半年以來受宏觀經濟因素和國內房地產調控政策的持續影響，整個家電行業進入調整期，加之先前受政府政策影響透支了市場的購買力，令家電市場需求出現週期性飽和，導致行業整體產能過剩，銷售規模下滑，造成家電及家電相關行業盈利不佳。此外，人工成本、能源價格、環保投入的持續上升，也對企業盈利能力形成巨大壓力。為提振市場信心，激發消費潛力，二零一二年中，中國政府推出新一輪「節能產品惠民工程」，但此政策並不會增加市場銷售總量，因其關注點聚焦在產品節能方面，所以其成效更多是反映在促進產品結構調整、促使企業加大節能技術的研發投入上，國家亦同時修訂了一系列家電能效標準，進一步推進了行業升級。而且，從二零一二年下半年開始，商品房的銷售形勢有所回暖，保障性住房進入大規模驗收及使用階段。受上述因素綜合影響，各廠商重拾信心，緊抓機遇，加大了節能產品研發拓展的推進力度，因此，本集團前期佈局的戰略產品如直流電機等抓住了發展機遇，在下半年業績中得到了體現。

1. 電機業務

二零一二年，國內空冰洗市場仍繼續處於調整期階段，空調行業受空調製造廠商銷售策略調整的影響，基本在消化庫存。洗衣機行業則向生態設計、變頻技術、大容量、滾筒、智慧、節能等方向發展。二零一二年一月至十二月，中國家用空調內外銷總量同比下滑3.9%，中央空調內外銷總額同比增長4.2%，冰箱壓縮機內外銷總量同比增長6.9%，洗衣機內外銷總量同比微跌0.13%。（以上資料資料來源：產業線上）。

For the year ended 31 December 2012, the Group's motors business recorded approximately 74,153,000 units of domestic sales and 31,225,000 units of export sales of motors (including the domestic sales of 57,693,000 units of motor for air-conditioners and refrigerators and the export sales of 14,385,000 units of motor for air-conditioners and refrigerators, representing a total sales volumes decreased by 31.3% as compared to the same period last year and the domestic sales of 16,460,000 units of motors for washing machines and export sales of 16,841,000 units of motors for washing machines, representing a total sales volumes increased by 2.0% as compared to the same period last year). The aggregate sales volume decreased by 23.4% as compared to the same period last year. The motors business recorded a turnover of HK\$7,775,082,000 in 2012 (HK\$4,604,983,000 from motors for air-conditioners and refrigerators and HK\$3,170,099,000 from motors for washing machines), which represented a decrease of approximately 25.2% as compared to HK\$10,398,678,000 for the same period in 2011 (HK\$7,049,295,000 from motors for air-conditioners and refrigerators and HK\$3,349,383,000 from motors for washing machines). Such a decrease was mainly due to the domestic market downturn, a marked decline in sales of air-conditioners of related party customers and the drop in raw material prices leading to the overall reduction in selling price. Profit of the motors business in 2012 amounted to approximately HK\$687,412,000 (HK\$402,884,000 from motors for air-conditioners and refrigerators and HK\$284,528,000 from motors for washing machines), which was approximately 13.0% higher as compared to HK\$608,258,000 recorded for the same period in 2011 (HK\$430,534,000 from motors for air-conditioners and refrigerators and HK\$177,724,000 from motors for washing machines). The reason of the increase in profit was mainly due to the development of overseas markets, in particular emerging markets like Brazil, as well as the product sales structure adjustment which increased the proportion of sales of higher-priced high-end products.

截至二零一二年十二月三十一日止年度，電機業務內銷之電機銷量約為74,153,000台，出口之電機銷量約為31,225,000台，總銷量較去年同期下降23.4%（當中空冰類電機內銷佔57,693,000台，以及外銷佔14,385,000台，總銷量較去年同期下降31.3%；而洗滌類電機內銷佔16,460,000台，以及外銷佔16,841,000台，總銷量較去年同期上升2.0%）。電機業務於二零一二年之營業額為港幣7,775,082,000元（空冰類電機及洗滌類電機營業額分別為港幣4,604,983,000元及港幣3,170,099,000元），比二零一一年同期電機業務之營業額為港幣10,398,678,000元（空冰類電機及洗滌類電機營業額分別為港幣7,049,295,000元及港幣3,349,383,000元），下跌25.2%，主要是內銷市場低迷、關聯方客戶空調銷售出現明顯下滑，及原材料價格下跌導致整體售價下調。電機業務於二零一二年利潤約為港幣687,412,000元（空冰類電機及洗滌類電機利潤分別為港幣402,884,000元及港幣284,528,000元），比二零一一年同期之利潤為港幣608,258,000元（空冰類電機及洗滌類電機利潤分別為港幣430,534,000元及港幣177,724,000元），增幅約為13.0%。主要因本年受益於海外市場的開拓，特別是巴西等新興市場，以及產品銷售結構調整令售價較高的高端產品比例增加。

In 2012, the Group continued to adhere to the profit-oriented approach and accelerate its pace of strategic transformation. For product and customer development, we have consolidated the market positions of our core leading products, and grasped market opportunities to expand the market share of brushless direct current motor, commercial motors and pump products and speed up market exploration and development for vehicle motors and servo motors. In respect of the products for air-conditioners and refrigerators, we have put more efforts in expanding the base of external customers, particularly overseas customers, promoting deeper and wider cooperation with our existing major customers, seeking customers of new markets and enhancing cooperation with expert manufacturers of central air-conditioners. In the meantime, we have accelerated matching process in respect of the product development of direct current motors in overseas bases for our Japanese customers which have business relationship with us in the PRC. With regard to the products for washing machines, by means of existing basis of cooperation, we have penetrated to the market of our top-brand overseas major customers in Europe and the U.S., and enhanced market share of our domestic major customers, so as to further expand our market coverage of series motors, wave-wheel motors, electrical pumps for dish washer and dryer motors. Besides, we have intensified cooperation with existing partners, who are leading manufacturers of small home appliances, in the motors for food processing machines, and become stable supplier of famous brands of small home appliances manufacturers. Breakthrough has been achieved in developing pressure pump for water purifier, allowing us to become stable supplier of Foshan Midea Chungho Water Purification Equipment Manufacturing Co., Ltd (佛山市美的清湖淨水設備製造有限公司) which is one of the leaders in water purification industry in the PRC. Also, we have established sound cooperative relationship with other leading companies in the industry. Operations of servo motors and vehicle motors have been ramped up with brand position enhanced in the industry. For research and development, we have completed development of new technology platform as well as materialised a substantial number of patent registrations and primary project researches. In respect of production technology and quality control, by engaging external experts and consultants, our production standards have been notably raised, our site management, production process and logistics management have been optimised. As a result of application of new techniques and technologies as well as quality management in all respects, production efficiency and product quality have been further enhanced.

二零一二年，電機事業部堅持以利潤為導向，加快戰略轉型步伐。在產品和客戶拓展方面，鞏固主導產品市場地位，同時積極把握市場機會，提升無刷直流電機、商用電機和泵類產品的市場份額，加快汽車電機、伺服電機的開發和市場拓展。空冰類產品，加大對外部客戶尤其是海外客戶的開拓力度，推進與大客戶合作的深度和廣度，並且對新市場客戶進行重點突破，深化與專業性中央空調生產商的合作，同時加快直流電機與國內合作日系客戶海外基地的產品開發匹配過程。洗滌類產品，通過藉助現有合作基礎，滲透一線品牌海外大客戶的歐美基地，提升內銷大客戶市場份額，進一步擴大了串激電機、波輪電機、洗碗機電泵及乾衣機電機等的市場覆蓋面。食品加工機電機與原有合作的小家電行業領先廠商深化合作，並成為著名小家電品牌廠商的穩定供應商。淨水器增壓泵取得重大突破，為國內淨水器行業領頭公司之一佛山市美的清湖淨水設備製造有限公司穩定供貨，與其他該行業的領頭公司建立了良好合作關係。伺服電機和汽車電機，均形成了一定規模，在行業內品牌地位也得到了提升。研發方面，新技術平台成功完成開發，專利申報和基礎項目研究都有大幅的提升。製造技術和品質管控方面，通過引入外部專家和外部諮詢機構，精益製造水準大幅提升，現場管理、製造佈局及物流佈局得以改善優化，新工藝、新技術的投入運用和全面品質管制的貫徹，使得生產效率及產品品質得以持續提升。

In December 2012, the Group has made a critical step to further deepen the strategic transformation, merging the two original major business divisions (Micro Motors Division and Washing Motor Division) to become the new Motor Division. Through restructuring and reforming the organisation, we are able to integrate resources, simplify operations, strengthen strategic focus and streamline structure on the principles of “professionalism and agility” that made us to achieve enhancement in overall operating efficiency for the corporation and lay a solid foundation for the operations in 2013.

2. *Business of Associate*

Shanxi Huaxiang Group Co., Ltd. (“Shanxi Huaxiang”, an associate owned as to 49% by the Group) has solidified the strength of compressor casting parts and intensively explored potentials with a focus on enhancement of product capability in order to ensure profitability and sustained cash flow for the operating development. Shanxi Huaxiang has further sped up its development of machine processing, extended the industrial chain, enhanced products added-value, and actively carry out integration of its internal resources with existing resources base for synergies so as to accelerate the forming of industry layout and rapidly secured customers in strategic markets, becoming a bigger and stronger company. Restructuring of engineering machinery products has made a great progress that gradually upgrading from the previous use of counterweight parts for forklift truck to high-end parts of engineering machinery from Europe and the U.S., allowing Shanxi Huaxiang to establish business relationship with strategic customers. Meanwhile, Shanxi Huaxiang has further strengthened the development of strategic products with expanded investments in existing casting parts, such as vehicle parts, valve parts and high-speed rail parts, in an effort to increase market share and optimise its product structure.

In 2012, Shanxi Huaxiang has strengthened its internal control system by devoting efforts to the enhancement of fundamental management system of financial and human resources, in a bid to gradually transform and upgrade its production structure and model, shifting its business objective from the pursuit of scale to the enhancement of the operation quality, so as to proactively respond to the risk of a slump in order amid downturns of the engineering and machinery industry and the electrical household appliances industry.

二零一二年十二月，本集團踏出了深化戰略轉型的關鍵一步，合併原有兩大主要事業部（微電機事業部與洗滌電機事業部）成為新的電機事業部。通過組織變革，電機事業部以「專業敏捷」為原則，整合資源，簡單化運作，戰略聚焦，精簡架構後除可節省營運成本外，更提升了企業的整體營運效率，為二零一三年度經營奠定了良好基調。

2. *聯營公司業務*

山西華翔集團有限公司（「山西華翔」，本集團佔49%股權的聯營公司）以提升產品力為核心，鞏固壓縮機鑄件優勢，深挖潛能，確保盈利以及為公司經營發展提供持續現金流；加快推進機加工業務，延伸產業鏈，提升附加值，積極開展內部資源整合及現有基地資源協同，加快產業佈局，快速佔領戰略市場客戶，逐步做大做強；工程機械類產品結構調整取得較大進展，由之前的叉車配重件領域，逐步升級轉型至歐美高端工程機械領域零部件，成功與戰略客戶建立業務關係。同時，公司進一步強化戰略產品拓展，目前已在汽車件、管閥件、高鐵件等鑄件產品領域加大投入，逐步擴大市場份額，優化公司產品結構。

二零一二年，山西華翔通過重點提升財務及人力資源基礎管理體系，加強內控體系建設，逐步轉變、升級生產組織模式，把對規模的追求轉變為經營品質的追求，來積極應對工程機械、家電領域行業低迷帶來的訂單減少的風險。

Second phase of the new industrial park has completed and commenced operations during the year, increasing Shanxi Huaxiang's production capacity to 220,000 tons of precision casting parts and 60 million units of processing machine parts.

For the year ended 31 December 2012, Shanxi Huaxiang's turnover amounted to approximately HK\$1,210,708,000 (2011: approximately HK\$1,328,124,000) and the Group's share of profit from Shanxi Huaxiang amounted to approximately HK\$17,322,000 (2011: approximately HK\$19,204,000). Turnover and profit fell mainly due to the poor business environment, orders of major customers decreased, significant drop in sales of counterweight products and the amortisation of expenses incurred in the construction of the office building, shift building and public facilities which completed and opened during the year.

In summary of the Group's performance for the year, sales of end products in domestic market declined due to the impacts of the macro-economic conditions. Since the end products were at the stage of inventory clearance, the demand for electrical household appliances suffered major drawback. On the other hand, overseas sales were, to a certain extent, affected by the fluctuations of the exchange rates of Euro and US Dollar during the year as much as by the economic gloom which sweeps globally. However, after undergoing a series of transformations in our operation, the Group has successfully and significantly improved its profitability, with major breakthroughs in the expansion into overseas markets for particular key products, which reduce the challenges of the impact on the Group from the severe downturn in business environment as said above. In line with the inventory level of domestic manufacturers of electrical household appliances going lower, a more rational competition amongst industry players will appear. Along with a series of policies adopted by the PRC government to provide impetus for industry growth and corporate reorganisation, all of these factors are favorable to the growth of the electrical household appliance industry. The Group will continue to observe closely state-imposed policies as well as the latest changes of the industry in order to seize business opportunities and adjust our development strategy in a timely manner. As our efforts subsist to optimise our product mix, expand into overseas market, and strengthen the competitiveness of core products, we shall benefit from further improved profitability while the business growth of the Group could be sustained.

年內新工業園二期完成建設工程並開始投產，令山西華翔整體已形成22萬噸精密鑄件、6,000萬件機加工件的生產能力。

截至二零一二年十二月三十一日止年度，山西華翔的營業額約港幣1,210,708,000元（二零一一年：約港幣1,328,124,000元）。本集團應佔山西華翔的利潤約為港幣17,322,000元（二零一一年：約港幣19,204,000元）。營業額及利潤下跌主要是整體經營形勢欠佳，主要客戶訂單減少，配重件產品銷量大幅下降，年內新工業園內的辦公大樓、倒班樓、公共配套設施啟用攤銷費用增加所引致。

總結本集團全年的業績表現，內銷市場因終端產品受宏觀環境影響銷售下滑，及終端產品處於消化庫存產品階段，令家電電機需求受到嚴重衝擊。另一方面，年內歐元、美元的匯率波動，及全球的經濟不景氣，也對海外銷售額造成了一定的影響。但本集團通過一系列經營轉型工作，企業盈利能力得到明顯提升，特別是部份重點產品海外市場的拓展實現重大突破，減輕了惡劣經營環境的挑戰對本集團帶來的影響。隨著國內家電生產商積壓存貨的減少，家電行業競爭漸趨理性，中國政府採取的一系列政策推進產業升級、企業結構轉型，均有利家電行業的發展。本集團將繼續積極關注國家政策和行業動態，把握市場機遇，適時調整發展策略，持續優化產品結構，積極拓展海外市場，增強產品核心競爭力，不斷提升企業盈利能力，確保集團可持續良性發展。

Financial Review

Liquidity and Financial Resources

The Group has maintained a healthy financial and liquidity position with a current ratio of 140% as at 31 December 2012 (2011: 128%). During the year ended 31 December 2012, given that the Group has maintained sufficient cash and cash equivalents, less notes receivable were discounted compared with previous year so as to save interest expense, resulted in an increase of notes receivable of HK\$315,147,000 for the Year. As a result, the Group only recorded net cash inflow from operating activities amounted to approximately HK\$232,358,000 for the Year (2011: HK\$683,106,000), represented a decrease of approximately 66% as compared to the same period last year. All notes receivable are issued and accepted by commercial banks which will be matured within 6 months and can be discounted upon request.

As at 31 December 2012, the Group was in a net cash position of HK\$529,413,000 (2011: HK\$717,174,000), representing cash and cash equivalents and pledged bank deposits of approximately HK\$965,315,000 less total bank borrowings of approximately HK\$435,902,000 (comprising approximately HK\$306,714,000 would be due within one year and approximately HK\$129,188,000 would be due over one year).

Financial Ratios

The following are certain financial ratios of the Group as at the consolidated statement of financial position date:

財務回顧

流動資金及財務資源

本集團之財政及流動資金狀況穩健，於二零一二年十二月三十一日之流動比率為140%（二零一一年：128%）。截至二零一二年十二月三十一日止年度，鑒於本集團維持充足的現金及現金等價物，因此較上年度少進行貼現應收票據，以節省利息開支，致令年內應收票據上升，同比增加港幣315,147,000元。故此，年內本集團僅錄得經營活動現金流入淨額約港幣232,358,000元（二零一一年：港幣683,106,000元），同比下跌約66%。本集團所有應收票據均由商業銀行發出及承兌，於六個月內到期，可應要求貼現。

於二零一二年十二月三十一日，本集團處於淨現金狀態，淨現金盈餘達港幣529,413,000元（二零一一年：港幣717,174,000元），由現金及現金等價物及已抵押銀行存款約港幣965,315,000元減去總銀行借款約港幣435,902,000元（包括約港幣306,714,000元於一年內到期及約港幣129,188,000元於超過一年後到期）組成。

財務比率

下表載列於所示綜合財務狀況表日本集團的若干財務比率：

		2012 二零一二年	2011 二零一一年
Inventories turnover (Note 1)	存貨周轉期(附註1)	37 days日	50 days日
Trade receivables turnover (Note 2)	貿易應收賬周轉期 (附註2)	77 days日	46 days日
Trade payables turnover (Note 3)	貿易應付賬周轉期 (附註3)	72 days日	69 days日
Current ratio (Note 4)	流動比率(附註4)	1.40 times倍	1.28 times倍

Notes:

- Inventories turnover is calculated based on the average of the opening inventories and closing inventories divided by the cost of goods sold for continuing operations of the year, and multiplied by the total number of days of the year.

附註：

- 存貨周轉期是根據年初存貨與年終存貨平均數除以當年持續經營業務之銷售貨品成本，再乘以該年的總日數計算。

2. Trade receivables turnover is calculated based on the average of the opening and closing of trade receivables of third parties and related companies, divided by the turnover for continuing operations of the year, and multiplied by the total number of days of the year. Increase in days of trade receivables turnover is due to the increase of approximately 20% in export sales during the year, which credit period is longer than domestic sales.
3. Trade payables turnover is calculated based on the average of the opening and closing of trade payables of third parties and related companies, divided by the cost of goods sold for continuing operations of the year, and multiplied by the total number of days of the year.
4. Current ratio is calculated based on the year-end current assets divided by the year-end current liabilities.

Pledge of Assets

As at 31 December 2012, the Group's banking facilities were secured by certain property with net book value of approximately HK\$53,126,000 (2011: approximately HK\$43,253,000) and certain leasehold land and land use rights with net book value of approximately HK\$44,937,000 (2011: approximately HK\$46,102,000) of the Group.

Contingent Liabilities

Save as the financial guarantees as disclosed below, as at 31 December 2012 and 2011, the Group and the Company did not have any material contingent liabilities.

Financial Guarantees

As at 31 December 2012, the Group has given guarantee to banks in respect of the banking facilities extended to the associates of the Group of approximately HK\$719,571,000 (2011: approximately HK\$528,556,000). As at 31 December 2012, bank loans of approximately HK\$540,141,000 (2011: approximately HK\$470,581,000) being guaranteed by the Group to associates have been drawn down.

Capital Expenditure

For the year ended 31 December 2012, the capital expenditure of the Group was approximately HK\$331,116,000 (2011: approximately HK\$410,503,000) related to the purchase of property, plant and equipment, leasehold land and land use rights.

2. 貿易應收賬周轉期是根據第三方及關聯公司年初應收賬與年終應收賬平均數除以當年持續經營業務之收入，再乘以該年的總日數計算。貿易應收賬周轉期上升主要由於年內出口銷售增加約20%，而出口銷售的付款期較內銷長所致。
3. 貿易應付賬周轉期是根據第三方及關聯公司年初應付賬與年終應付賬平均數除以當年持續經營業務之銷售貨品成本，再乘以該年的總日數計算。
4. 流動比率是根據年終的流動資產除以年終流動負債計算。

資產抵押

於二零一二年十二月三十一日，本集團的銀行授信以本集團賬面淨值約港幣53,126,000元(二零一一年：約港幣43,253,000元)之若干物業以及賬面淨值約港幣44,937,000元(二零一一年：約港幣46,102,000元)之若干租賃土地及土地使用權作為抵押。

或然負債

除下述的融資擔保外，本集團及本公司於二零一二年及二零一一年十二月三十一日並無任何重大或然負債。

融資擔保

於二零一二年十二月三十一日，本集團就銀行向本集團聯營公司提供約港幣719,571,000元(二零一一年：約港幣528,556,000元)銀行融資作出擔保。於二零一二年十二月三十一日，本集團所擔保的聯營公司銀行貸款約港幣540,141,000元(二零一一年：約港幣470,581,000元)已被提取。

資本開支

截至二零一二年十二月三十一日止年度，本集團有關購買物業、廠房及設備以及租賃土地及土地使用權的資本開支約港幣331,116,000元(二零一一年：約港幣410,503,000元)。

Derivative Financial Instruments

As at 31 December 2012, the Group's outstanding derivative financial instrument assets and liabilities under various copper and aluminium future contracts and foreign exchange forward contracts amounted to approximately HK\$14,997,000 and HK\$8,913,000 respectively (2011: derivative financial instrument assets and liabilities of approximately HK\$16,792,000 and HK\$240,000 respectively).

Exposure to Exchange Rate Fluctuations

During the Year, approximately 37% of the Group's turnover was derived from export trading settled in Euro and US dollars. In the meantime, the Group has also imported raw materials from the suppliers which were paid in Euro and US dollars for settlement. As a result, foreign exchange risks associated with these currencies were partially offset. On the other hand, the Group has made arrangements to purchase foreign exchange forward contracts to hedge against foreign exchange exposure arising from export trading. The Group has stringent control over the risk of exchange rate fluctuation, and will review from time to time the sufficiency and appropriateness of the financial instruments which were currently used to hedge significant foreign currency risks.

Capital Commitments

As at 31 December 2012, the Group has contracted capital commitments in respect of the purchase of property, plant and equipment amounting to approximately HK\$120,267,000 (2011: approximately HK\$89,776,000).

Human Resources

As at 31 December 2012, the Group had approximately 12,639 full time employees in Hong Kong and in the PRC. While the Company was supported by a team of young and competent staff, it does not ignore the importance of the development, management and future planning of its human resources. With the use of open recruitment, job rotation, internal promotion and professional training for the recruitment, deployment and nurture of employees, it is intended to ensure the selection and deployment of employees to be carried out in an open, fair and equitable manner. Besides, it could also provide staff with a platform for their further promotion and development. Through the implementation of comprehensive human resources management, it is aimed at achieving the objectives of enhancing employees contributions to the Group and shaping the Group's strategic advantages in human resources.

衍生金融工具

於二零一二年十二月三十一日，本集團訂立若干銅及鋁期貨合約及外匯遠期合約，未到期衍生金融工具資產及負債分別約港幣14,997,000元及港幣8,913,000元(二零一一年：衍生金融工具資產及負債分別約港幣16,792,000元及港幣240,000元)。

匯率波動風險

於本年內，本集團營業額中約佔37%來自外銷之出口貿易，交易以歐元及美元結算，與此同時，本集團亦有進口原材料是以歐元及美元向供應商付款，因此，由該等外幣引起的匯兌風險彼此能作部分抵銷。另一方面，本集團已安排為出口貿易購買外匯遠期合約，以對沖所產生的匯兌風險。本集團已加強了對外匯匯率波動的監控，並不時檢討現時所使用以對沖重大外幣風險之金融工具是否足夠及適當。

資本承諾

於二零一二年十二月三十一日，本集團就購買物業、廠房及設備已訂約的資本承擔約港幣120,267,000元(二零一一年：約港幣89,776,000元)。

人力資源

於二零一二年十二月三十一日，本集團於香港及中國聘用約12,639名全職僱員。本集團擁有一支年輕、優秀的員工隊伍，同時亦充分重視人力資源開發、管理及發展規劃，通過公開招聘、崗位輪換、內部升遷、專業培訓等用人、育人機制，以期通過公開、公平、公正的選才、用才機制，為公司員工提供了一個晉升、發展的平台，通過完善的人力資源管理，提高僱員對本集團的貢獻，使本集團具備戰略性的人力資源優勢。

The Group has adopted a share option scheme for employees as an incentive to motivate employees by linking their interests to the future development and expansion of the Group. The Group currently provides staff with competitive remuneration packages (comprising salary, bonus and benefits in kind), adequate insurance cover (including pension, medical insurance, unemployment compensation insurance, work injury compensation insurance and maternity insurance) and housing provident fund. In addition, the Group also provides its staff with other benefits including on-the-job academic education, meal subsidy, housing subsidy, cooperative medical scheme services, support fund and recreational activities etc.

Business Prospects

Looking ahead to 2013, China's economy is expected to stabilise and gradually pick up; the U.S. economy will see moderate recovery and the Eurozone economy might hit rock bottom. Rebound of the domestic real estate market will stimulate demand for electrical household appliances, and ownership rate of electrical household appliances will be enhanced by the "urbanisation with Chinese characteristics". It is anticipated that replacement demand for refrigerators and washing machines remains flat, while both the penetration rate of air-conditioners in rural area and prevalence of air-conditioner replacement in urban area will rise. In addition, the marginal effects of the policy of "Home Appliances Subsidy for Rural Areas" should have been diminishing though such policy will be completely terminated in early 2013. The launch of a new policy on energy-efficient products for the people's benefit may weaken the negative impacts from termination of the policy of "Home Appliances Subsidy for Rural Areas" than that in 2012. In respect of exports, Asia, Africa and South America are anticipated to be major importers of electrical household appliances, and it is expected to further increase the percentage of China's exports accounted for the global demand of electrical household appliances, including air-conditioners and washing machines. Under the current environment, it is unavoidable for the industry to re-shuffle and undergo a fittest survival process which will benefit those leading enterprises in the industry. The Group will keep an eye close to the latest development of the industry to grasp business opportunities to get an upgrade in the industry. Meanwhile, we will further develop and expand the market of high-efficiency and energy-saving products so as to gain more market share, consolidate our leading position in the industry and facilitate corporate strategic transformation.

本集團採用購股權計畫，用以鼓勵僱員為本集團之未來發展及擴展出力。本集團目前為僱員提供具競爭力的薪酬(含崗位工資、獎金及實物利益)、充足的保險(包括養老保險、醫療保險、失業保險、工傷保險和生育保險)及住房公積金。另外本集團為僱員提供其他福利，包括在職學歷教育、膳食補助、住房補貼、員工合作醫療、扶助基金、團隊活動等。

業務展望

展望二零一三年，中國經濟有望企穩及逐步回升，美國經濟有望溫和復蘇，歐元區經濟或可見底。國內房地產銷量回暖利好家電需求，「中國特色城鎮化」的建設也將有利於家電產品保有量的提升，預期冰洗更新需求平穩，空調在農村的普及程度增加與城鎮的空調普及更新需求上升。雖然「家電下鄉」惠民政策將在二零一三年初全部退出，但政策實際邊際效應已逐步減弱，加上有新節能惠民政策接力，「家電下鄉」政策退出的負面影響預計較二零一二年小。出口方面，預計亞洲、非洲、南美洲等地區將成為家電出口的主要拉動力，中國的冰洗等家電產品出口佔全球需求比率有望進一步提升。在此大環境下，家電行業汰弱留強重新洗牌是大勢所趨，將利好於行業的龍頭企業。本集團將密切關注行業動態，緊抓行業機遇，把握產業升級機會，推進高效節能產品的開發和市場拓展，搶佔市場份額，保持行業領先地位，推進企業戰略轉型。

Our motors business will continue to adhere to the focus on core business by on-going optimising products structure, emphasising quality improvement and maximising profit. In addition to maintaining effective operations in our traditional products, such as alternating current motors, series motors and electrical reactors by sizing up market scale, expanding market share steadily and consolidating our leading position in the industry, we will grasp market opportunities to size up our operations in brushless direct current motor, commercial motors and pump products, in a bid to increase market share and establish dominant brand position in these sectors. Concurrently, we would accelerate the development of servo motors and vehicle motors, increase strategic investment in research and development for new products and new technologies, such as direct current controls and variable frequency controls, in order to lay a solid foundation for our sustained growth in medium to long term. By integrating and optimising marketing resources, putting more efforts on exploring potentials of major customers and refining our approach in the cultivation of major customers, we are committed to expand deeper and wider cooperation with them. It is intended to achieve breakthroughs in seeking new market customers, and enhance cooperation with expert manufacturers of central air-conditioners, top manufacturers of washing machines in Asia.

In order to sustain our profit growth, the Group will keep on intensifying its strategic transformation, emphasising product quality and enhancing product competitiveness as well as brand recognition. For the sake of enhancing the quality of our products, quality comes first in the entire production process from raw materials procurement to product marketing. We will continue to optimise our internal organisation structure by integrating and upgrading our resources of production, research and development, supply chain, marketing as well as quality. We will keep on boosting operational efficiency by closely observing manufacturing process control and improving business model. Additionally, we are introducing new applications, techniques and innovative technologies, making a breakthrough for our core technologies and recruiting more high-calibre personnel for core strategy in order to gather impetus for our sustainable development.

電機業務將堅持聚焦核心業務，持續優化產品結構，注重增長品質，追求利潤最大化。繼續經營好交流電機、串激電機和電抗器等傳統產品，穩步提升市場份額，鞏固行業領導地位；把握市場機會，快速擴大無刷直流電機、商用電機和泵類產品的規模，提升市場份額，建立行業優勢地位；同時加快伺服電機和汽車電機的拓展，加大直流、變頻控制等新產品、新技術研發戰略投入，為公司的中長期持續成長打下堅實基礎。整合優化行銷資源，堅持加大客戶開拓力度，對大客戶精耕細作，擴大雙方合作的深度和廣度；對新市場客戶進行重點突破，強化與專業性中央空調生產商、亞洲洗滌類產品巨頭的合作關係。

本集團將繼續深化戰略轉型，更加注重產品品質，加強產品競爭力，提升品牌影響力，不斷提升盈利能力。公司將產品品質提高到最高級別，從原材料採購，到產品銷售的全過程中均以產品品質為先決條件。繼續優化內部組織架構，整合優化製造、研發、供應鏈、行銷及品質資源，關注過程管控，注重經營改善，持續提升營運效率，不斷引入運用工藝技術創新，攻關核心技術，加大核心戰略人才引進力度，培育企業可持續發展的動力。

Shanxi Huaxiang will continue to proceed with its strategic transformation and product structure adjustment. To take advantages of policies launched by the central government and local governments of China, by following the principles of “asset management” and pursuing ultimate business objectives of “fulfillment of capacity and efficiency”, Shanxi Huaxiang will further improve its operations in existing markets and deepen the relationship with its existing customers, while expanding into new markets and developing new customers. Through “potential tapping, efficiency enhancing and cost reduction”, it is committed to achieve increase in both scale and profits.

Corporate Business Strategies

The Group is committed to follow the guiding ideas for its development and operations in the coming three years, which consists of “intensifying corporate transformation, engaging actively in profit-generation and innovation, maintaining our excellence in quality control as well as in general operations”. Adhering to the focus on our core business, we improve our profitability and strive for profit maximisation by optimising our product mix. In respect of our products for refrigerators and washing machines, we expand our major customer base in overseas markets, while our washing motors gain us more opportunities to cooperate with customers from Japan and Korea. We are dedicated to the expansion of our business into emerging markets and the continual improvement of our customer composition and our resilience. We assume an active role in product development, and our customers are encouraged to upgrade their products purchased from us. Through the lean production, strategic suppliers management, technology and process innovation and internal management enhancement, we aim at tapping potentials of cost reduction and further enhancing product profitability. We implement closed-loop management in quality control through perfecting the quality control system, in which the quality of products is closely monitored from raw material sources and during the course of production, placing due emphasis on the quality and competitiveness of our products in order to raise brand recognition. Resources are integrated for synergy and an integrated control and operation system is built. We have adopted professional operations and business expansion as our management approach to enhance our management efficiency. We keep recruiting strategic and technological competent high-quality talents to join the team to raise the quality and standard of our core team, which lay the foundation for the long-term development of the Company.

山西華翔將持續推進戰略轉型及產品結構調整，抓住國家、地方政府出台的各项政策優勢，堅定推行「資產經營」理念，以「達產、達效」為經營核心目標，深度經營好現有市場、客戶，積極穩健拓展好關係轉型發展的新市場、新客戶，通過「深度挖潛、提升效率、降低成本」，追求規模、利潤同步提升。

公司經營策略

本集團明確以「深化轉型，利潤導向，精益創新，品質保障，卓越運營」為未來三年的中期發展經營思路，堅持聚焦核心業務，持續優化產品結構，不斷提升盈利能力，追求利潤最大化。冰洗類產品加大海外大客戶的拓展，洗滌類產品深化日韓系客戶的合作，開拓新興市場，持續改善客戶結構，提高企業抗風險能力。主導產品推動主動開發，推進客戶產品升級；通過精益製造、戰略供應商管理、技術工藝創新、內部管理提升，挖掘降本潛力，提升產品盈利能力。通過完善品質控制體系，源頭控制、過程管控品質，實現品質的閉環管理，注重產品品質，加強產品競爭力，提升品牌影響力。整合協同資源，構建一體化管控和運作體系，建立「縱向專業運作，橫向業務拉動」的管理機制，提高管理效率。持續引進戰略和科技方面的高素質人才，提升核心人才隊伍水準，為企業長期良性發展奠定基礎。

The Company has always endeavoured to achieve a high standard of corporate governance so as to enhance the transparency and accountability to the shareholders of the Company. The board of directors of the Company (the “Board”) believes that good corporate governance will contribute to maximise the corporate value of the Company to its shareholders.

The Company has adopted the Code on Corporate Governance Practices (the “CG Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) (which was updated with new requirements and renamed as Corporate Governance Code (the “New CG Code”), taking effect from 1 April 2012) as its corporate governance policies and practices.

The Executive Committee of the Company was entrusted by the Board with delegated authority to review the Company’s compliance with the corporate governance practices. Having considered the review presented by the Executive Committee, the Board confirmed that the Company had complied with all code provisions of the CG Code during the period from 1 January 2012 to 31 March 2012 and had complied with all code provisions of the New CG Code during the period from 1 April 2012 to 31 December 2012.

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (“Model Code”) as its code of conduct of the Company for Directors’ securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standard set out in the Model Code throughout the Year.

The Board

The Board is responsible for laying down the Group’s future development direction, overall strategies and policies, the evaluation of the performance of the Group and the management and approval of matters that are of material and substantial in nature. Senior management of the Company was delegated with the authority and responsibility by the Board for the day-to-day management, administration and operations of the Group. Senior management of each division is responsible for different businesses and functions of the Group in accordance with its particular area of expertise. The Board has also delegated various responsibilities to the Board committees. Details of these Board committees are set out below in this report.

本公司一直致力達致高水平之企業管治，藉此提高本公司透明度及對股東之問責性。本公司之董事會（「董事會」）相信，良好企業管治將有助本公司為其股東帶來最高之企業價值。

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄 14 所載之企業管治常規守則（「企業管治守則」）（已根據新規定更新及改名為企業管治守則（「新企業管治守則」），並自二零一二年四月一日起生效），作為本公司本身之企業管治政策及常規。

行政委員會獲董事會授權檢討本公司對企業管治常規的遵守情況。經考慮行政委員會提呈的檢討匯報，董事會確認本公司已於二零一二年一月一日至二零一二年三月三十一日期間遵守企業管治守則的所有守則條文，並已於二零一二年四月一日至二零一二年十二月三十一日期間遵守新企業管治守則的所有守則條文。

董事進行證券交易

本公司已採納上市規則附錄 10 所載之上市發行人董事進行證券交易之標準守則（「標準守則」），作為本公司董事進行證券交易之操守守則。經向董事作出特定查詢後，全體董事確認，彼等已於本年度內一直遵守標準守則所載之規定準則。

董事會

董事會負責確立本集團之未來發展方向、整體戰略及政策，評估本集團之業績表現，以及管理及批准性質重大之事宜。董事會授權本公司之高級管理人員，負責主管本集團之日常管理、行政及營運。各分部之高級管理人員按其專業範疇負責本集團之不同業務及職能。董事會亦指派各董事委員會承擔特定責任。該等董事委員會之詳情載於本報告下文。

The Board regularly reviewed the contribution required from a Director to perform his/her responsibilities to the Company and whether he/she is spending sufficient time performing their duties. Directors (including independent non-executive Directors) are active in participating regular Board meetings and other Board meetings for discussing and approving significant issues of the Group so as to make an effective Board for a timely strategic decision and to ensure the operations of the Group in line with such strategies. Independent non-executive Directors perform their monitoring role and devote their time and effort to make contribution to the development of strategies and internal control and risk management of the Group.

For each of the Board meetings held during the year ended 31 December 2012, each Director had been consulted beforehand and served with prior notice to enable him/her to include matters in the agenda of the forthcoming Board meeting.

The Board will hold four regular meetings every year at approximately quarterly intervals. The Company generally gives at least 14 days notice in advance for regular Board meetings and gives reasonable notice for all other Board meetings in order to give all Directors opportunity to attend the meetings. During the year ended 31 December 2012, the Company had complied with the said notice requirements for Board meetings by giving all Directors adequate time to plan their schedules to attend. All Directors are active in participating the regular Board meetings, whether in person or through telephone conference or video conference, to make an effort to contribute to the affairs to be dealt with by Directors at the Board meetings.

All Directors could have accessed to the advice and services of the Company Secretary to ensure that Board procedures are complied with the applicable laws, rules and regulations and corporate governance practices and policies.

The Company Secretary is responsible for taking minutes of Board meetings which shall record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed at the meetings. For each of the Board meetings held during the year ended 31 December 2012, draft and final versions of the minutes of Board meetings were sent to all Directors within reasonable time (generally within 14 days for both cases) after the Board meeting had been held for their comments and records respectively. All Board minutes are kept by the Company Secretary and open for inspection by all Directors at any reasonable time on reasonable notice.

董事會定期檢討董事履行其責任所需的貢獻，以及彼是否付出足夠時間履行其職責。董事(包括獨立非執行董事)均積極參與定期董事會會議及其他討論及批准本集團重要事項的董事會會議，讓董事會能及時有效地作出策略決定，並確保本集團的營運符合該等策略。獨立非執行董事履行彼等的監察角色，及致力對本集團的戰略發展、內部控制以及風險管理作出貢獻。

於截至二零一二年十二月三十一日止年度舉行之每次董事會定期會議，各董事均於會前獲得諮詢並獲發會前通告，使其可於將要舉行的董事會會議議程加入討論事項。

董事會每年舉行四次定期會議，約每季一次。本公司一般最少於十四日前預先發出董事會定期會議通告，並就所有其他董事會會議發出合理通告，讓全體董事均有機會出席有關會議。截至二零一二年十二月三十一日止年度，本公司已遵守上述董事會會議通告規定，讓全體董事有充裕時間作出適當安排出席會議。全體董事均積極參與定期董事會會議(不論親身參與或透過電話會議或視象會議)，致力對董事會在董事會會議處理的事務作出貢獻。

全體董事均可向公司秘書取得意見及服務，以確保董事會程序符合適用法律、規則、規例及企業管治常規及政策。

公司秘書負責記錄董事會會議之會議記錄，其須充分詳細記錄董事會所考慮之事項、所達致之決定，包括會上董事所表達之關注或反對意見。於截至二零一二年十二月三十一日止年度舉行之每次董事會會議，董事會會議紀錄之草稿及定稿已於董事會會議舉行後合理時間內(兩者一般為十四日內)送交所有董事，分別以供彼等提出意見及存檔。所有董事會會議紀錄均由本公司秘書保存，並可於任何合理時間以合理通知供全體董事查閱。

The Company's corporate governance guidelines give all Directors the rights, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense, and in such circumstances, the Board shall resolve to provide separate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting but not a written resolution. Subject to the exceptions set out in the Listing Rules, a Director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her associates has a material interest nor shall he/she be counted in the quorum present at the relevant Board meeting.

For the year ended 31 December 2012, appropriate insurance cover in respect of legal action against the Directors was arranged. The Board will review regularly to ensure there is adequate insurance cover for the Directors.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer of the Company are performed by separate individuals so as to enhance the division of responsibilities between them and to ensure a balance of power and authority. The positions of the Chairman and the Chief Executive Officer are held by Mr. Zhou Xiangyang and Mr. Jiang Deqing respectively. Mr. Zhou was appointed as the Chairman of the Board on 12 December 2012 in place of Mr. Cai Qiwu who resigned as the Chairman and executive Director of the Company on the same date.

The role of the Chairman is to be responsible for taking the lead of the Board in determining the strategic direction of the Group, ensuring that all Directors are properly briefed on business contemplated at Board meetings and receive timely, adequate, complete and reliable information, good corporate governance practices and procedures are established as well as managing a good relationship and communication with shareholders. The Chief Executive Officer of the Company with the support of other executive Directors is responsible for implementation of strategic planning of different business functions and day-to-day management of business and operations of the Group.

本公司之企業管治指引賦予全體董事權利，可按合理要求，並在適當情況下，尋求獨立專業意見，費用由本公司支付，在該等情況下，董事會須決定向董事提供獨立專業意見，以協助有關董事履行職責。

倘董事會須處理的事宜上任何董事涉及利益衝突，而董事會斷定有關利益衝突屬重大的，有關事宜會由實質董事會會議處理，而不會以書面決議案處理。除在上市規則列載的例外情況，董事不得在任何董事會決議案投票通過其本身或其任何聯繫人士有重大利益之任何合約或安排或任何其他建議，亦不得計入相關董事會會議之法定人數內。

截至二零一二年十二月三十一日止年度，已就針對董事採取之法律行動安排適當之保險保障。董事會將定期作出檢討，以確保有足夠的董事保險保障。

主席及首席執行官

本公司之主席及首席執行官由不同人士擔任，以加強彼等之責任分工及確保權力均衡。主席及首席執行官之職位分別由周向陽先生及姜德清先生擔任。周先生於二零一二年十二月十二日獲委任為主席，以替任於同日辭任本公司主席及執行董事的蔡其武先生。

主席負責領導董事會釐定本集團之戰略方向，確保全體董事獲恰當知會於董事會會議擬進行之事宜，並確保全體董事及時獲得充足、全面及可靠之資料、建立良好的企業管治常規及程序，以及與股東之間保持良好關係及溝通。本公司之首席執行官在其他執行董事之支持下，負責為不同業務職能實施戰略規劃，並負責本集團之日常業務管理及營運。

During the year ended 31 December 2012, the Chairman held a meeting with all independent non-executive Directors without the executive Directors present.

Board Composition

Upon completion of the change in members of the Board on 12 December 2012, the Company has complied with Rules 3.10(1) and 3.10A of the Listing Rules regarding the appointment of at least three independent non-executive Directors, representing at least one-third of the Board. The Board comprises nine Directors, including six executive Directors, namely, Mr. Zhou Xiangyang (Chairman), Mr. Jiang Deqing (Chief Executive Officer), Ms. Yuan Liqun, Mr. Li Feide, Mr. Lu Xiaoji and Mr. Li Yang and three independent non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua. Throughout the year ended 31 December 2012, the Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules regarding the appointment of at least three independent non-executive Directors including at least one independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise.

Mr. Zhou Xiangyang, Mr. Li Feide, Mr. Lu Xiaoji and Mr. Li Yang were appointed as executive Directors with effect from 12 December 2012. Mr. Cai Qiwu, Mr. Qu Fei, Mr. Chen Jianhong, Mr. Li Jianwei and Mr. Zheng Weikang resigned as executive Directors with effect from 12 December 2012.

The biographies of each of the current Directors are set out in pages 46 to 49 in this annual report, which demonstrate a diversity of skills, expertise, experience and qualifications appropriate for the requirements of the business of the Company. Directors are advised to inform the Company of any change to the number and nature of offices they held in public companies or organisations and their other significant commitments in a timely manner.

The Directors, including the Chairman and the Chief Executive Officer, have no financial, business, family or other material or relevant relationships with each other.

The Nomination Committee has reviewed the structure, size and composition (including the skills, knowledge, experience) of the Board and confirmed that the Company has maintained a balanced composition with a strong independent element on the Board.

於截至二零一二年十二月三十一日止年度，主席與所有獨立非執行董事舉行了一次會議，當中並沒有執行董事出席。

董事會之組成

於二零一二年十二月十二日完成所有董事會成員變動後，本公司已遵守上市規則第3.10(1)條及第3.10A條，委任最少三名獨立非執行董事，並佔董事會成員人數最少三分之一。董事會現時由九名董事組成，包括六名執行董事周向陽先生(主席)、姜德清先生(首席執行官)、袁利群女士、李飛德先生、呂曉繼先生及李楊先生，以及三名獨立非執行董事譚勁松先生、林明勇先生及陳春花女士。於截至二零一二年十二月三十一日止整個年度裡，本公司已遵守上市規則第3.10(1)條及第3.10(2)條，委任最少三名獨立非執行董事，包括最少一名擁有合適專業資格或會計或相關財務管理專業知識的獨立非執行董事。

周向陽先生、李飛德先生、呂曉繼先生及李楊先生於二零一二年十二月十二日獲委任為執行董事。蔡其武先生、瞿飛先生、陳建紅先生、栗建偉先生及鄭偉康先生於二零一二年十二月十二日辭任執行董事。

現任董事之個人履歷載於本年報第46頁至49頁，其中顯示出符合本公司業務要求之多元化技能、專業知識、經驗及資歷。董事獲建議應及時通知本公司彼等於公眾公司及機構所擔任的職位數目及性質的任何變動，以及彼等的其他重大承擔。

各董事(包括主席及首席執行官)相互間概無財務、業務、家庭或其他重大或相關之關係。

提名委員會已檢討董事會的架構、規模及組成(包括技能、知識、經驗)，並確認本公司已維持董事會的均衡組合及充足的獨立元素。

Independent Non-Executive Directors

The independent non-executive Directors are active in participating in Board meetings to bring an independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct. They will take the lead where potential conflicts of interests of other Directors arise. They serve as members of various Board committees and will scrutinise the performance of the Group in achieving agreed corporate goals and objectives and monitor performance reporting.

Mr. Lam Ming Yung has served the Board as an independent non-executive Director for more than nine years. Given his professional knowledge and experience and no connection with any Director or substantial shareholder of the Company and their respective associates (as defined under the Listing Rules), the Board considered that Mr. Lam is independent despite of his long term service with the Company. Mr. Lam was re-elected as an independent non-executive Director by a separate resolution duly passed by the shareholders of the Company at the annual general meeting held on 31 May 2012.

The annual confirmation of independence made by each of the three independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules were received by the Company and reviewed by the Nomination Committee. The Nomination Committee has assessed their independence and confirmed that all the independent non-executive Directors are considered independent within the definitions of the Listing Rules.

Appointments, Re-Election and Removal of Directors

The articles of association of the Company (“Articles of Association”) require that (i) every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and (ii) the managing Director of the Company (if any) shall whilst holding office as such be subject to retirement by rotation at least once every three years and shall be taken into account in determining the number of Directors to retire by rotation in each year.

獨立非執行董事

獨立非執行董事於董事會會議中擔當積極主動之角色，就戰略、政策、業績表現、問責性、資源、重要委任及操守準則等事宜作出獨立判斷。倘其他董事出現潛在利益衝突時，彼等將作出領導。彼等擔任不同董事委員會成員，負責監督本集團之業績表現以達致協定之企業目的及目標，同時亦監察業績表現之報告。

林明勇先生出任董事會獨立非執行董事超過九年。基於彼的專業知識及經驗，且並無與任何董事或本公司主要股東及彼等之聯繫人（見上市規則之定義）有關連，因此，即使林先生服務本公司多年，董事會亦視林先生為獨立人士。於二零一二年五月三十一日舉行的股東週年大會上，本公司股東正式通過獨立決議案，林先生獲重選為獨立非執行董事。

本公司已收到三名獨立非執行董事各自根據上市規則第3.13條而發出之年度獨立性確認書，並且由提名委員會作出審閱。提名委員會已評估彼等之獨立性，確認全體獨立非執行董事按上市規則界定均被視為獨立人士。

委任、重選及罷免董事

本公司組織章程細則（「組織章程細則」）規定 (i) 每名董事（包括按特定任期獲委任之董事）須最少每三年輪席退任一次；及 (ii) 本公司董事總經理（倘有）在任期間須最少每三年輪席退任一次及須計入釐定每年輪席退任之董事人數內。

The Articles of Association provide that at every annual general meeting of the Company, and notwithstanding any contractual or other terms on which a Director may be appointed or engaged, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that, notwithstanding anything therein, every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Pursuant to the requirements of the New CG Code, any further re-appointment of an independent non-executive Director, who has served the Board for more than nine years, will be subject to separate resolution to be approved by the shareholders of the Company. The Board is of the view that such mechanism helps to ensure orderly succession to the appointments to the Board and that changes to its composition can be managed without undue disruption.

During the year ended 31 December 2012, the Company had entered into letters of appointment with Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua, each an independent non-executive Director for a term commencing on 31 May 2012 and ending on the date of the Company's next annual general meeting, as their respective then existing letters of appointment expired on 31 May 2012. All these letters of appointment shall be terminable by either party upon one month's written notice to the other party or the payment to other party of a sum equal to the relevant Director's monthly remuneration.

The Board established a nomination committee on 9 March 2012 to be responsible for the nomination of new Directors for appointment by the Board. Any nomination of Director will be reviewed and discussed by the Nomination Committee on the nominee's qualifications, experience and ability relevant to the requirements of the Company's business.

According to the Articles of Association, the Board has the power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy or as an addition to the Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting and shall be eligible for re-election but shall not be taken into account in determining the number of Directors to retire by rotation at such meeting.

The Nomination Committee has examined the terms of appointment of Directors, and also reviewed and assessed the independence of independent non-executive Directors and made recommendation to the Board on the re-election of retiring Directors at the forthcoming annual general meeting.

組織章程細則規定於本公司每屆股東週年大會上，不論董事獲委任或聘任之任何合約條款或其他條款，當時三分之一之董事(或倘董事人數並非三之倍數，則以最接近但不少於三分之一之人數為準)須輪席退任，惟不論當中所載內容，每名董事(包括按特定任期獲委任之董事)須最少每三年輪席退任一次。根據新企業管治守則的要求，任何對已服務本公司超過九年的獨立非執行董事進一步的重新委任須待本公司股東以獨立決議案批准。董事會認為有關機制有助確保董事會之委任作有秩序之更替，從而可管理其組成變更，避免不適當干擾。

於截至二零一二年十二月三十一日止年度內，本公司與譚勁松先生、林明勇先生及陳春花女士(各人均為獨立非執行董事)訂立委任書，任期由二零一二年五月三十一日開始至本公司下屆股東週年大會日期止，因彼等各自當時之委任書已於二零一二年五月三十一屆滿。所有該等委任書可由任何一方向另一方作出一個月書面通知或向另一方支付相等於有關董事每月薪酬之金額予以終止。

董事會於二零一二年三月九日成立提名委員會，負責提名新任董事以供董事會委任。任何董事提名將由提名委員會按被提名人與本公司業務要求相關的資格、經驗及能力作出審閱及討論。

根據組織章程細則，董事會有權不時或於任何時候委任任何人士為董事以填補臨時空缺或作董事會額外董事，任何此等由董事會委任之董事任期僅至下屆股東週年大會為止，並合資格重選，但不得計入以釐定於該會議上輪值退任之董事人數內。

提名委員會已審閱董事委任之條款，並檢閱和評估獨立非執行董事的獨立性，及於即將舉行的股東週年大會上就重選退任董事向董事會作出建議。

Directors Continuous Training and Development Programme

To ensure that every newly appointed Director has a proper understanding of the operations and business of the Group and that he/she is fully aware of his/her responsibilities as a Director of the Company under statute and common law, each of the newly appointed Director will receive a comprehensive, formal and tailored induction and also the orientation package containing the information with regard to the duties and responsibilities of Directors under the Listing Rules, related ordinances and relevant regulatory requirements and the business and corporate governance policies of the Company.

Subsequently, updated information and continuous professional development training will also be provided to all the Directors when necessary to keep them abreast of the latest changes and development in legal, regulatory and corporate governance requirements and develop and refresh their knowledge and skills to facilitate the discharge of their responsibilities. In addition, the Company through dissemination of monthly updates in respect of the financial and operational review provides to the Directors with information in relation to the latest development of the Group's business. Besides of arranging formal training seminars for the Directors, the Company Secretary will forward the latest news and information about the Company published in Hong Kong.

Pursuant to the requirements of the code provision set out in the New CG Code, all Directors have to participate in continuous professional development to develop and refresh their knowledge and skills with effect from 1 April 2012. The Company has put in place an on-going training and professional development programme for Directors to help them discharge their duties. Directors are also required to provide to the Company records of other training they received to ensure that their contribution to the Board remains informed and relevant.

During the year, the Company organised two in-house seminars for the Directors and senior management and invited the solicitor of distinguished law firm as the speaker to present to the Directors and senior management the information with regard to the recent changes in the Corporate Governance Code and related Listing Rules and the general obligations of disclosure of inside information under the amended Securities and Futures Ordinance. Directors and senior management staff have participated in these seminars. All newly appointed executive Directors, namely, Mr. Zhou Xiangyang, Mr. Li Feide, Mr. Lu Xiaojie and Mr. Li Yang have attended an induction seminar organised by the Company for new Directors.

董事的持續培訓及發展課程

為確保每名新任董事對本集團之運作及業務均有恰當了解，並確保彼已完全知悉根據法規及普通法作為本公司董事之責任，每名新任董事均會獲得全面、正式兼特為其而設的就任須知及一套迎新資料，內載有董事根據上市規則、相關條例及相關監管規定之職責，以及本公司之業務及企業管治政策。

及後，在需要讓董事知道有關法律、監管及企業管治要求的最新變動及發展，以及開展及更新彼等的知識及技能時，亦會向全體董事提供更新資料及持續專業發展訓練，以協助彼等履行責任。此外，通過發放每月更新財務及經營回顧的信息，本公司向董事提供有關本集團業務最新發展的資料。除了為董事安排正式培訓研討會外，公司秘書將轉發刊載於香港有關本公司的最新消息及資料。

根據新企業管治守則所載的守則條文規定，自二零一二年四月一日起，全體董事均須參與持續專業發展以發展及更新彼等的知識及技能。本公司已為董事制定一項持續培訓及專業發展課程，以協助彼等履行職務。董事亦須向本公司提供彼等所接受的其他培訓的記錄，以確保彼等對董事會作出維持知情及相關的貢獻。

於年內，本公司為董事及高級管理層舉辦了兩次內部研討會，並邀請了知名律師樓的律師作主講嘉賓，向董事及高級管理層講述企業管治守則及相關上市規則的近期變動，以及經修訂的「證券及期貨條例」項下的內幕消息披露的一般責任。董事及高級管理層均有參與該等研討會。全體新委任的執行董事，包括周向陽先生、李飛德先生、呂曉繼先生及李楊先生均有出席本公司為新任董事舉辦的就職指引研討會。

Supply of and Access to Information

In connection with the convening of regular Board meetings and any meeting of the Board committees, agenda of the meeting accompanying with the relevant documents will be sent to all Directors or members of the Board committee at least three days before the date of the Board meeting or Board committee meeting.

Management has an obligation to supply the Board and the Board committees with adequate information in a timely manner to enable members of the Board and the Board committees to make informed decisions. Where any Director requires more information than is volunteered by management, each Director may contact senior management through individual and independent channel(s) to make further enquires if necessary and such enquiries will be responded to by management within a reasonable time with sufficient details. Furthermore, minutes of Board meetings or meetings of Board committees are open for inspection by Directors at any reasonable time on reasonable notice given.

Since April 2012, all Directors have been provided, on a monthly basis, with the updated management and financial information of the Group, giving them an opportunity to have a balanced and understandable assessment of the Group's latest performance, position, recent developments and prospects in sufficient detail and facilitating them to discharge their duties under the relevant requirements of the Listing Rules.

Board Committees

The Board has established four Board committees with defined scope of duties in written form. These Board committees are the Audit Committee, the Remuneration Committee, the Executive Committee and the Nomination Committee.

A revised set of terms of reference of each of the Audit Committee, the Remuneration Committee and the Executive Committee and the terms of reference of the Nomination Committee in compliance with the code provisions of the New CG Code were adopted and approved by the Board on 9 March 2012 and are available on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at <http://www.welling.com.cn>.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to obtain independent professional advice in appropriate circumstances at the expense of the Company if they consider necessary.

提供及使用資料

關於召開董事會定期會議及任何董事委員會會議，會議議程及相關文件會於董事會或董事委員會會議日期最少三日前送交全體董事或董事委員會成員。

管理層有責任向董事會及董事委員會適時提供充足資料，以使董事會及董事委員會成員能夠作出知情決定。倘任何董事所需之資料較管理層自願提供者為多，每名董事均可使用個別及獨立途徑接觸高級管理人員，以於有必要時作進一步查詢，而管理層將於合理時間內詳盡回應有關查詢。另外，董事會會議或董事委員會會議之會議紀錄可供董事於任何合理時間內給予合理通知下查閱。

自二零一二年四月起，全體董事每月均獲提供本集團的最新管理及財務資料，使彼等有機會對本集團的最新業績、狀況、近期發展及前景取得充足詳情以作出平衡及可理解的評估，及促進彼等根據上市規則的相關規定履行職務。

董事委員會

董事會已成立四個訂有書面特定職權範圍之董事委員會。該等董事委員會為審核委員會、薪酬委員會、行政委員會及提名委員會。

董事會於二零一二年三月九日採納及批准符合新企業管治守則之守則條文的審核委員會、薪酬委員會及行政委員會各自的經修訂職權範圍以及提名委員會的職權範圍，該等職權範圍可於香港交易及結算所有限公司網頁 www.hkexnews.hk 及本公司網頁 <http://www.welling.com.cn> 查閱。

各董事委員會均獲提供足夠資源履行其職務；如彼等認為必要，亦可在合理要求下於適當時候諮詢獨立專業意見，有關費用會由本公司支付。

Remuneration Committee

The Remuneration Committee was established by the Board on 22 September 2005. Chairman and majority of the members of the Remuneration Committee are independent non-executive Directors.

The Remuneration Committee comprises three independent non-executive Directors, namely, Ms. Chen Chunhua (chairman of Remuneration Committee), Mr. Tan Jinsong and Mr. Lam Ming Yung and two executive Directors, namely Mr. Zhou Xiangyang (appointed on 12 December 2012) and Mr. Jiang Deqing (appointed on 12 December 2012). The Company adopted the model set out in code provision B.1.2.(c)(i) of the New CG Code as its Remuneration Committee model under which the Remuneration Committee shall determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management.

The primary duties of the Remuneration Committee include the followings:

- (i) to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (ii) to review and determine, with delegated responsibilities and authorisation by the Board, the remuneration packages of individual executive Directors and senior management with reference to the Board's corporate goals and objectives;
- (iii) to make recommendations to the Board on the remuneration of independent non-executive Directors;
- (iv) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (v) to review and approve compensation payable to executive Directors and senior management for any loss of termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (vi) to review and approve compensative arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and

薪酬委員會

董事會於二零零五年九月二十二日成立薪酬委員會。薪酬委員會主席及大部分成員為獨立非執行董事。

薪酬委員會現時由三名獨立非執行董事包括陳春花女士(薪酬委員會主席)、譚勁松先生及林明勇先生以及兩名執行董事周向陽先生(於二零一二年十二月十二日獲委任)及姜德清先生(於二零一二年十二月十二日獲委任)。本公司採納新企業管治守則守則條文第B.1.2.(c)(i)條所載的模式作為其薪酬委員會的模式，據此薪酬委員會應按照獲轉授責任，釐定個別執行董事及高級管理人員的薪酬待遇。

薪酬委員會之主要職務包括：

- (i) 就本公司董事及高級管理人員之整體薪酬政策及架構，及就設立正規而具透明度之程序制訂此等薪酬政策，向董事會提出推薦意見；
- (ii) 按照獲轉授責任，因應董事會訂立的企業方針及目標，檢討及釐定個別執行董事及高級管理人員的薪酬待遇；
- (iii) 就獨立非執行董事的薪酬向董事會提供推薦意見；
- (iv) 考慮同類公司支付的薪酬、須付出的時間及職責，以及集團內其他職位的僱用條件；
- (v) 檢討及批准向執行董事及高級管理人員就喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；
- (vi) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及

(vii) to ensure that no Directors or any of his/her associates is involved in deciding his/her own remuneration.

(vii) 確保任何董事或其任何連繫人不得參與釐定其薪酬。

The Remuneration Committee had performed the following works during the year ended 31 December 2012 and up to 11 March 2013:

於截至二零一二年十二月三十一日止年度及直至二零一三年三月十一日止，薪酬委員會已進行下列工作：

(i) reviewed the remuneration proposals for executive Directors and senior management with reference to the achievement of corporate goals and objectives set by the Board;

(i) 參考董事會所訂企業方針及目標的成效，檢討執行董事及高級管理人員的薪酬建議；

(ii) approved the remuneration packages of executive Directors (except the Chairman and Chief Executive Officer) and senior management after consultations with the Chairman;

(ii) 經諮詢主席後，批准執行董事(主席及首席執行官除外)及高級管理人員之薪酬待遇；

(iii) reviewed and approved the remuneration packages of the Chairman and Chief Executive Officer in a committee meeting at which the Chairman and Chief Executive Officer abstained from voting in respect of the resolutions approving their own remuneration packages; and

(iii) 於委員會會議上審閱及批准主席及首席執行官之薪酬待遇，主席及首席執行官已在就批准其本身薪酬待遇之決議案中放棄表決；及

(iv) reviewed and made recommendations to the Board on the remuneration and terms of appointment of independent non-executive Directors.

(iv) 審閱獨立非執行董事之薪酬及委任條款，並向董事會提出推薦意見。

The Company's remuneration policy for executive Directors and senior management are set on the basis that the remuneration level of executive Directors and senior management will be linked with their responsibilities and contributions to the achievement of corporate performance target of the Company as resolved by the Board from time to time. For the purpose of determining the level of remuneration of executive Directors and senior management, appraisal of the work performance of the executive Directors and senior management will be conducted annually at the end of each year. Such work performance of executive Directors and senior management will be judged by the extent to which the Company's budget target is met and the financial performance of the Company in terms of sales revenue and net profits as disclosed in the audited financial statements is achieved. Proposals for remuneration of executive Directors and senior management will be prepared by the Human Resources Department based on the relevant remuneration data and prevailing market conditions and submitted to the Remuneration Committee for consideration and approval. Director's fee payable to independent non-executive Directors shall be reviewed annually by the Remuneration Committee with reference to the fees paid by comparable companies, time commitment and responsibilities of each of the independent non-executive Directors and determined by the Board after taking into account the recommendation made by the Remuneration Committee. No Director or any of his/her associates is involved in deciding his/her own remuneration.

Pursuant to paragraph B1.5 of the New CG Code, the remuneration of the members of the senior management by band for the year ended 31 December 2012 is set out below:

Remuneration band (HK\$)	薪酬組別(港幣)	Number of individuals 人數
Nil to 2,000,000	零至2,000,000	4

Details of the Directors' emoluments for the year ended 31 December 2012 are set out in note 25(b) to the consolidated financial statements.

Audit Committee

The Audit Committee was established by the Board on 5 August 1999. All members of the Audit Committee are independent non-executive Directors, one of whom has possessed professional qualifications and accounting and financial management related expertise.

The Audit Committee comprises all three independent non-executive Directors, namely, Mr. Tan Jinsong (chairman of Audit Committee), Mr. Lam Ming Yung and Ms. Chen Chunhua.

本公司對執行董事及高級管理人員之薪酬政策乃實行薪酬與績效掛鈎，即執行董事及高級管理人員之薪酬水平應根據彼等之職責及對於完成董事會不時制定之公司績效目標所作之貢獻而釐定。為釐定執行董事及高級管理人員之薪酬水平，將於每年年末評估執行董事及高級管理人員之工作表現。執行董事及高級管理人員之有關工作表現將透過本公司預算目標之完成程度，以及本公司按經審核財務報表所披露之銷售收入及淨利潤釐定之財務表現而作出判斷。人力資源部門將根據相關薪酬數據及目前市況製定執行董事及高級管理人員之薪酬建議，並提交薪酬委員會審議批准。薪酬委員會應參考同類公司支付的薪酬，以及各獨立非執行董事須付出的時間及其職責，每年檢討應付獨立非執行董事之董事費用；在計及薪酬委員會的推薦意見後，由董事會釐定有關董事費用。董事或任何其聯繫人不得參與釐定其本身之薪酬。

根據新企業管治守則第B1.5段，高級管理人員截至二零一二年十二月三十一日止年度按薪酬組別呈列的薪酬如下：

截至二零一二年十二月三十一日止年度，董事酬金之詳情載於綜合財務報表附註25(b)。

審核委員會

董事會於一九九九年八月五日成立審核委員會。審核委員會所有成員均為獨立非執行董事，當中一位成員具有專業資格及會計與財務管理相關專業知識。

審核委員會現時由全體三名獨立非執行董事包括譚勁松先生(審核委員會主席)、林明勇先生及陳春花女士所組成。

The Audit Committee is responsible for, among other things, reviewing and monitoring the integrity of the consolidated financial statements of the Group, reviewing the effectiveness of the systems of internal control and risk management of the Group, reviewing the findings from the works carried out by internal audit department and monitoring the effectiveness of the Group's internal audit function. The Audit Committee is also responsible for making recommendation to the Board on the appointment of the external auditor and approving the remuneration and terms of engagement of the external auditor. Before commencement of annual audit, the Audit Committee will discuss with the external auditor the nature and scope of audit, the significant risk analysis and the impact of the change in accounting policies on the financial statements of the Group. The Audit Committee is required to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards.

The Audit Committee will liaise with the Board and senior management regularly and meet at least twice a year with the Company's external auditor.

Minutes of Audit Committee meetings are kept by the Company Secretary who also serves as secretary of the Audit Committee. Draft and final versions of the minutes of Audit Committee meetings are sent to all members of the Committee for their comments and records within a reasonable time after the meeting (usually within 14 days after the meeting).

The Audit Committee had performed the following works during the year ended 31 December 2012 and up to 11 March 2013:

- (i) reviewed the Company's 2011 annual report and the preliminary announcement of final results;
- (ii) reviewed the Company's 2012 interim report and the preliminary announcement of interim results;
- (iii) approved the remuneration and terms of engagement of the external auditor for 2012 audit and other matters;
- (iv) reviewed the 2012 internal control report prepared by the internal audit department and reviewed the effectiveness of the internal control system and risk management of the Group;
- (v) reviewed the connected and continuing connected transactions entered into by the Group during the Year;

審核委員會負責(其中包括)檢討及監察本集團綜合財務報表是否完整;檢討本集團內部監控及風險管理制度之成效;檢討內部審核部之工作結果及監察本集團內部審核功能之成效;審核委員會亦負責就委任外聘核數師向董事會作出推薦及批准外聘核數師之薪酬及聘用條款。審核委員會在年度審核開始前將與外聘核數師討論審核性質及範疇、重大風險分析及會計政策改變對本集團之財務報表之影響。審核委員會須按適用之標準檢討及監察外聘核數師是否獨立客觀及核數程序之成效。

審核委員會將定期與董事會及高級管理人員聯絡,並每年至少與本公司的外聘核數師開會兩次。

公司秘書(同時擔任審核委員會之秘書)負責保存審核委員會之會議紀錄。審核委員會會議紀錄之草稿及定稿於會議舉行後合理時段內(通常為會議後14天內)送交審核委員會全體成員,以供成員表達意見及作紀錄之用。

於截至二零一二年十二月三十一日止年度及直至二零一三年三月十一日止,審核委員會已進行下列工作:

- (i) 審閱本公司之二零一一年年報及初步全年業績公告;
- (ii) 審閱二零一二年中期報告及初步中期業績公告;
- (iii) 批准就二零一二年之核數及其他事項聘用之外聘核數師之薪酬及聘用條款;
- (iv) 審閱內部審核部編製之二零一二年內部監控報告及檢討本集團之內部監控系統及風險管理之成效;
- (v) 審閱於本年度本集團所訂立之關連交易及持續關連交易;

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|---|---|
| <p>(vi) acted as the key representative body for overseeing the Company's relations with the external auditor and reviewed and monitored the external auditor's independence and the non-audit services provided by the external auditor;</p> | <p>(vi) 擔任本公司與外聘核數師之間的主要代表，負責監察二者之間的關係，以及檢討及監察外聘核數師是否獨立及其所提供之非核數服務；</p> |
| <p>(vii) reviewed adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function, and their training programmes;</p> | <p>(vii) 檢討本公司在會計及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程是否足夠；</p> |
| <p>(viii) advised on significant events of the Company and highlighted the related risks to the management;</p> | <p>(viii) 就本公司之重大事項提出意見，並向管理層指出有關風險；</p> |
| <p>(ix) reviewed arrangements for employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and confirmed that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action; and</p> | <p>(ix) 檢討有關本公司僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注的安排，確認有適當安排讓本公司對此等事宜作出公平獨立的調查及採取適當行動；及</p> |
| <p>(x) reviewed the Company's 2012 annual report and the preliminary announcement of final results;</p> | <p>(x) 審閱本公司之二零一二年年報及初步全年業績公告。</p> |

The Audit Committee has reviewed the Group's 2012 consolidated financial statements, including the accounting principles and policies adopted by the Group, in conjunction with the Company's external auditor and recommended to the Board for approval of the consolidated financial statements for the year ended 31 December 2012.

審核委員會已聯同本公司外聘核數師審閱本集團之二零一二年綜合財務報表，包括本集團採用之會計原則及政策，並向董事會建議批准截至二零一二年十二月三十一日止年度之綜合財務報表。

The Board agreed with the Audit Committee's proposal for the re-appointment of Messrs. PricewaterhouseCoopers as the Company's external auditor for the year 2013. The recommendation will be put forward for shareholders' approval at the forthcoming annual general meeting of the Company.

董事會同意審核委員會建議重新委任羅兵咸永道會計師事務所為本公司於二零一三年之外聘核數師。該建議將於本公司之應屆股東週年大會上提呈予股東批准。

During the year ended 31 December 2012, the remuneration paid to the Company's external Hong Kong auditor, Messrs. PricewaterhouseCoopers, is set out as follows:

截至二零一二年十二月三十一日止年度，向本公司外聘香港核數師羅兵咸永道會計師事務所支付之酬金載列如下：

Fee paid/payable
已付／應付費用
HK\$'000
港幣千元

Audit services, taxation services and review of continuing connected transactions

核數服務、稅務服務及審閱持續關連交易

2,886

Executive Committee

The Executive Committee was established by the Board on 18 April 2006. It comprises all the executive Directors of the Company from time to time, currently six executive Directors, namely, Mr. Zhou Xiangyang (*chairman of the Executive Committee*), Mr. Jiang Deqing, Ms. Yuan Liqun, Mr. Li Feide, Mr. Lu Xiaoji and Mr. Li Yang. Under its term of reference, the Executive Committee shall be responsible for determining matters relating to the Group's day-to-day operations management and administration.

In addition to the daily management and administration functions, as approved by the Board at the Board meeting held on 9 March 2012, the Executive Committee was delegated with the duties and responsibilities to monitor and oversee the corporate governance functions of the Group.

The Executive Committee had performed the works relating to the corporate governance functions of the Group as follows during the year ended 31 December 2012 and up to 11 March 2013:

- (i) reviewed the Company's policies and practices on corporate governance;
- (ii) reviewed and monitored the training and continuous professional development of Directors and senior management;
- (iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) reviewed and monitored the code of conduct applicable to employees and Directors; and
- (v) reviewed the Company's compliance with the "Corporate Governance Code" contained in the Appendix 14 to the Listing Rules and disclosure in this Corporate Governance Report.

Nomination Committee

As approved by the Board on 9 March 2012, the Company established the Nomination Committee with majority of its members being independent non-executive Directors. The Nomination Committee shall be responsible mainly for reviewing the structure, size and composition (including the skills, knowledge, experience) of the Board at least annually, making recommendations to the Board on the appointment or re-appointment of Directors and assessing the independence of independent non-executive Directors.

行政委員會

董事會於二零零六年四月十八日成立行政委員會。其由本公司不時的所有執行董事組成，現時有六名執行董事，包括周向陽先生(行政委員會主席)、姜德清先生、袁利群女士、李飛德先生、呂曉繼先生及李楊先生。根據其職權範圍，行政委員會負責就有關本集團日常營運管理及行政事宜作出決定。

除日常管理及行政功能外，董事會在二零一二年三月九日舉行之董事會會議上批准，委派行政委員會監察和監督本集團企業管治功能之職務及責任。

於截至二零一二年十二月三十一日止年度及直至二零一三年三月十一日止，行政委員會已進行下列有關本集團企業管治功能的工作：

- (i) 檢討本公司的企業管治政策及常規；
- (ii) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (iii) 檢討及監察本公司遵從法律及監管規定的政策及常規；
- (iv) 檢討及監察僱員及董事適用之操守守則；及
- (v) 檢討本公司遵守上市規則附錄 14 所載的企業管治守則及在企業管治報告內之披露。

提名委員會

經董事會於二零一二年三月九日批准，本公司成立提名委員會，而當中大部份成員均為獨立非執行董事。提名委員會主要負責至少每年檢討董事會之架構、規模和組成(包括技能、知識、經驗等方面)、就董事之委任或重新委任向董事會提出建議，並評估獨立非執行董事是否獨立。

The Nomination Committee comprises five members including two executive Directors, namely, Mr. Zhou Xiangyang (*chairman of Nomination Committee*) (appointed on 12 December 2012) and Mr. Jiang Deqing (appointed on 12 December 2012) and three independent non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua.

Minutes of the Nomination Committee meetings are kept by the Company Secretary who also serves as secretary of the Nomination Committee. Draft and final versions of the minutes of Nomination Committee meetings are sent to all members of the Committee for their comments and records within a reasonable time after the meeting (usually within 14 days after the meeting).

The Nomination Committee had performed the following works during the year ended 31 December 2012 and up to 11 March 2013:

- (i) considered and approved the recommendation to the Board of the appointment of executive Directors to fill the casual vacancies arisen from the resignation of certain executive Directors;
- (ii) formulated the nomination policy for appointment of Directors to be submitted to the Board for approval;
- (iii) reviewed the structure, size and composition of the Board (including the mix of skills, knowledge, experience and competences of Directors, and the balance between executive and independent non-executive Directors) and is of the view that there is an appropriate and diverse mix of skills and experience;
- (iv) reviewed the independence of independent non-executive Directors and confirmed that all independent non-executive Directors are considered independent; and
- (v) reviewed the profile and performance of Directors who will be subject to re-election by rotation in accordance with the Articles of Association at the forthcoming annual general meeting and recommended to the Board the re-appointment of those retiring Directors at the forthcoming annual general meeting.

提名委員會由五名成員組成，包括兩名執行董事周向陽先生(提名委員會主席)(於二零一二年十二月十二日獲委任)及姜德清先生(於二零一二年十二月十二日獲委任)，以及三名獨立非執行董事譚勁松先生、林明勇先生及陳春花女士。

公司秘書(同時擔任提名委員會之秘書)負責保存提名委員會之會議紀錄。提名委員會會議紀錄之初稿及定稿會於會議舉行後合理時段內(通常為會議後14天內)送交提名委員會全體成員，以供成員表達意見及作紀錄之用。

於截至二零一二年十二月三十一日止年度及直至二零一三年三月十一日止，提名委員會已進行下列工作：

- (i) 審議批准就若干執行董事辭任向董事會提交委任執行董事填補臨時空缺的推薦意見；
- (ii) 就委任董事制定提名政策提交董事會批准；
- (iii) 檢討董事會之架構、規模和組成(包括董事的技能、知識、經驗及能力的配選，以及執行董事及獨立非執行董事的平衡)，並認為董事技能及經驗的配選屬適當及多樣；
- (iv) 檢討獨立非執行董事是否獨立，並確認所有獨立非執行董事均屬獨立人士；及
- (v) 檢討將於應屆股東週年大會上根據組織章程細則輪席退任的董事的概述及表現，並於應屆股東週年大會上就重新委任該等退任董事向董事會提交推薦意見。

Directors' Attendance Record at Meetings

The attendance record of each of the Directors at the Board meetings, Audit Committee meetings, Remuneration Committee meeting, Nomination Committee meeting and general meetings of the Company held during the year ended 31 December 2012 and the tenure of office of each individual Director are set out in the following table:

董事出席會議記錄

各董事出席本公司截至二零一二年十二月三十一日止年度及各個別董事在任期間內舉行的董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東大會之記錄詳情載於下表：

Directors		Board Meetings 董事會會議 (Note 1) (附註1)	Audit Committee Meetings 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議 (Note 2) (附註2)	General Meetings 股東大會 (Note 3) (附註3)
Number of Meetings held	會議舉行次數	7	3	1	1	2
Executive Directors		執行董事				
Mr. Zhou Xiangyang (<i>Chairman</i>) (Note 4)	周向陽先生(主席) (附註4)	1/1	—	1/1	—	—
Mr. Jiang Deqing (<i>Chief Executive Officer</i>)	姜德清先生 (首席執行官)	7/7	—	1/1	—	2/2
Ms. Yuan Liquan	袁利群女士	6/7	—	—	—	2/2
Mr. Li Feide (Note 4)	李飛德先生(附註4)	1/1	—	—	—	—
Mr. Lu Xiaoji (Note 4)	呂曉繼先生(附註4)	1/1	—	—	—	—
Mr. Li Yang (Note 4)	李楊先生(附註4)	1/1	—	—	—	—
Mr. Cai Qiwu (Note 5)	蔡其武先生(附註5)	5/5	—	—	—	2/2
Mr. Qu Fei (Note 5)	瞿飛先生(附註5)	5/5	—	—	—	2/2
Mr. Chen Jianhong (Note 5)	陳建紅先生(附註5)	5/5	—	—	—	2/2
Mr. Li Jianwei (Note 5)	栗建偉先生(附註5)	5/5	—	—	—	2/2
Mr. Zheng Weikang (Note 5)	鄭偉康先生(附註5)	5/5	—	—	—	2/2
Independent non-executive Directors		獨立非執行董事				
Mr. Tan Jinsong	譚勁松先生	7/7	3/3	1/1	1/1	2/2
Mr. Lam Ming Yung	林明勇先生	7/7	3/3	1/1	1/1	2/2
Ms. Chen Chunhua	陳春花女士	7/7	3/3	1/1	1/1	2/2

Notes:

附註：

(1) During the year ended 31 December 2012, the Board held four regular meetings and three additional meetings.

(1) 截至二零一二年十二月三十一日止年度，董事會舉行四次定期會議及三次臨時會議。

(2) The Nomination Committee was established on 9 March 2012 and the first meeting of the Nomination Committee was held on 12 December 2012.

(2) 提名委員會於二零一二年三月九日成立，提名委員會首次會議於二零一二年十二月十二日舉行。

(3) During the year ended 31 December 2012, the Company held two general meetings, including the annual general meeting and an extraordinary general meeting both held on 31 May 2012.

(3) 截至二零一二年十二月三十一日止年度，本公司舉行兩次股東大會，包括股東週年大會及一次股東特別大會，兩次會議均於二零一二年五月三十一日舉行。

- (4) Mr. Zhou Xiangyang, Mr. Li Feide, Mr. Lu Xiaoji and Mr. Li Yang was appointed as executive Directors and members of the relevant Board committee(s) of the Company with effect from 12 December 2012. They attended all the meetings of the Board and relevant Board committee(s) (if appropriate) held during their tenure of office for the year ended 31 December 2012.
- (5) Mr. Cai Qiwu, Mr. Qu Fei, Mr. Chen Jianhong, Mr. Li Jianwei and Mr. Zheng Weikang resigned as executive Directors and members of the relevant Board committee(s) of the Company with effect from 12 December 2012. They attended all the meetings of the Board and Board committee(s) (if appropriate) held during their tenure of office for the year ended 31 December 2012.

Company Secretary

The Company Secretary, namely, Ms. Tang Wai Ying, Tracy, is also the Financial Controller of the Company. She has the day-to-day knowledge of the affairs of the Company. Ms. Tang is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

The Company Secretary plays an important role in supporting the Board by ensuring good information flow within the Board and that the Board policies and procedures are duly followed. She also acts as the secretary of the Board committees to ensure that all records of meeting proceedings, discussion and decision of such Board committees and Directors' training are properly kept. The Company Secretary reports to the Chairman of the Board and is responsible for facilitating the induction to be provided to newly appointed Directors and continuous professional development training to be provided to existing Directors and advising the Board through the Chairman on corporate governance matters.

During the year ended 31 December 2012, the Company Secretary has completed at least 15 hours' professional training by attending the HKICS's ECPD programme as well as other seminars covering regulatory updates and professional knowledge about company secretarial duties launched by other professional bodies.

All Directors could have access to the advice and services of the Company Secretary to ensure that Board procedures, and all applicable laws, rules and regulations are followed.

- (4) 周向陽先生、李飛德先生、呂曉繼先生及李楊先生獲委任為本公司執行董事及相關董事委員會成員，自二零一二年十二月十二日起生效。彼等於截至二零一二年十二月三十一日止年度之任期內，皆出席所有董事會會議及相關董事委員會會議（如適用）。
- (5) 蔡其武先生、瞿飛先生、陳建紅先生、栗建偉先生及鄭偉康先生辭任本公司執行董事及相關董事委員會成員，自二零一二年十二月十二日起生效。彼等於截至二零一二年十二月三十一日止年度之任期內，皆出席所有董事會會議及相關董事委員會會議（如適用）。

公司秘書

本公司秘書鄧惠英女士亦是本公司財務總監。彼熟悉本公司日常事務。鄧女士為特許公認會計師公會之資深會員及香港會計師公會之會員。

公司秘書擔當確保董事會內良好資訊流通以及董事會政策及程序獲遵從以支援董事會的重要角色。彼亦擔當董事委員會秘書的角色，以確保所有董事委員會的會議議程、討論及決定，以及董事培訓記錄獲妥善保存。公司秘書會向董事會主席報告，並負責促進向新委任董事提供就職指引，向現任董事提供持續專業發展培訓，以及透過主席就企業管治事宜向董事會提出意見。

截至二零一二年十二月三十一日止年度，公司秘書參加香港特許秘書公會強化持續專業發展計劃，並完成至少15小時的專業訓練，以及參與由其他專業團體舉辦的其他研討會，內容涵蓋最新法規及有關公司秘書職責的專業知識。

所有董事均可向公司秘書取得意見及服務以確保董事會會議議程以及所有適用法律、規則及法規獲遵從。

Directors' and Auditor's Responsibilities for The Consolidated Financial Statements

The Directors acknowledged their responsibility for the preparation of the consolidated financial statements of the Company which give a true and fair view of the state of affairs of the Group on a going concern basis in accordance with Hong Kong Financial Reporting Standards and the Hong Kong Companies Ordinance.

The statements of the Directors and the Auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group are set out in the Independent Auditor's Report on pages 67 to 68 of this annual report.

Disclosure of Long Term Basis for Generating or Preserving Business Value

An analysis of the Group's corporate strategy and long term business model adopted for delivering the objectives of the Company is set out in the Management Discussion and Analysis of this annual report.

Internal Control

The Board is responsible for maintaining an adequate and effective internal control system in the Company and reviewing its effectiveness through the Audit Committee. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement, fraud or loss and to manage, but not to eliminate, risks of failure in achieving the Company's objective.

The internal control system, which includes a defined management structure with specified limits of authority, is designed to (a) help the achievement of business objectives, and safeguard the Company's assets; (b) ensure proper maintenance of accounting records; and (c) ensure compliance with relevant legislation and regulations.

Management and internal audit department regularly review the Group's internal control system which covers financial, operational and compliance controls as well as risk management functions to ensure that it remains efficient and effective.

董事及核數師就綜合財務報表所承擔之責任

董事知悉彼等之責任，為根據香港財務報告準則及香港公司條例，按持續經營之基準，編製本公司之綜合財務報表，以真實及公平地反映本集團之財政狀況。

董事及本公司核數師就本集團綜合財務報表所作之申報責任聲明載於本年報第67頁至68頁之獨立核數師報告內。

披露創造或保留業務價值的長遠基礎

為實現本公司目標而採納的本集團企業策略及長遠業務模式的分析載列於本年報之「管理層討論與分析」內。

內部監控

董事會負責確保本公司之內部監控系統完善且行之有效，並透過審核委員會檢討系統之成效。內部監控系統旨在提供合理（但非絕對）保證，避免出現重大錯誤陳述、欺詐或損失，以及管理（但非消除）未能達致本公司目標之風險。

內部監控系統包括一套設有特定權限之界定管理架構，旨在(a)協助達致業務目標，保障本公司資產；(b)確保妥善存置會計記錄；及(c)確保遵照相關法例及規則。

管理層及內部審核部定期檢討本集團之內部監控系統，包括財務、營運、合規監控及風險管理功能，以確保其維持高效率及高效能。

The Company has a full set of Internal Control System Manual (“Manual”) which was approved by the Board. This Manual contains a comprehensive overview and description of the objectives, content, methods and duties of the internal control system, and facilitates the ongoing examination and evaluation of the Company’s compliance with existing rules and regulations and of the effectiveness of internal controls. During the year ended 31 December 2012 and up to the date of this annual report, the Company consistently applied the full set of Manual which covers the control of high-risk areas of operations, suppliers, sales, finance and personnel management. The Board has, through the Audit Committee, carried out ongoing examination and monitoring of the Group’s internal control system.

During the Year, the Group based on the internal audit findings and improvement plans submitted by the internal audit department to the Audit Committee continued to enhance and improve the internal control system of the Group.

The Board has reviewed and is satisfied with the effectiveness of the Group’s internal control system and believes that, such system is sufficient to provide reasonable assurances that the Group’s assets are safeguarded against loss from unauthorised use or disposition, transactions are properly authorised and proper accounting records are maintained. The Board has reviewed and considered that the resources, staff qualifications and experience, training programmes and budget of the Company’s accounting and financial reporting function are adequate.

Shareholders’ Rights

The Company has only one class of shares, all holders of the ordinary shares in the issued share capital of the Company shall have the same rights.

1. Rights and procedures for shareholders to convene an extraordinary general meeting (“EGM”):

Shareholder(s) of the Company who hold(s) not less than one-twentieth (5%) of the paid-up share capital of the Company carrying the right of voting at general meetings of the Company can request the Board to convene an EGM pursuant to the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (“Companies Ordinance”) by sending to the Company Secretary a notice of requisition of EGM in writing by mail. Such a written requisition must state the objects of the EGM, and must be signed by the shareholder(s) who requested to convene the EGM and deposited at the Company’s registered office at Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention of the Company Secretary.

本公司備有整套經由董事會批准之內部監控系統手冊(「手冊」)。此手冊載有內部監控系統各項目標、內容、方法及職責之綜合概覽及描述，有助持續審查及評估本公司是否遵守現行規則及法規，以及內部監控系統之成效。於截至二零一二年十二月三十一日止年度及截至本年報日期，本公司貫徹應用整套手冊，涵蓋業務、供應商、銷售、財務及人事管理等高風險範疇之監控。董事會已透過審核委員會持續審查及監察本集團之內部監控系統。

於年內，根據由內部審核部提交予審核委員會之內部審核結果及改善計劃，本集團已繼續提升及改進內部監控系統。

董事會已審閱並滿意本集團內部監控系統之效能，且董事會相信，該系統足以提供合理保證，確保本集團資產免受因未經授權挪用或處置而出現之損失、交易經適當授權，且維持適當會計記錄。董事會已審閱並認為本公司在會計及財務匯報職能方面的資源、員工資歷及經驗足夠，而員工所接受的培訓課程及有關預算亦充足。

股東權利

本公司僅有一種股份類別，所有本公司已發行股本中普通股的持有人擁有相同權利。

1. 股東可召開股東特別大會(「股東特別大會」)的權利及程序：

持有本公司不少於二十分之一(5%)附帶本公司股東大會投票權的繳足股本之股東，可根據香港法例第32章《公司條例》(「公司條例」)，以書面郵寄方式向公司秘書發出要求召開股東特別大會的請求書，要求董事會召開股東特別大會。該書面請求書必須列明股東特別大會的目的，並由要求召開股東特別大會的股東簽署及送交本公司的註冊辦事處，地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室，並註明收件人為公司秘書。

Upon receipt of the notice of requisition to convene an EGM, the share registrar of the Company will first verify the validity of the requisition. If the requisition is confirmed in order, the Company Secretary will promptly arrange with the Board to convene an EGM by serving sufficient notice to all the registered shareholders of the Company in accordance with the relevant statutory and regulatory requirements. Otherwise, if the requisition is verified not in order, the requisitionists will be advised accordingly and no EGM will be convened as requested.

If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition proceed duly to convene an EGM for a day not more than twenty-eight (28) days after the date on which the notice convening the EGM is given, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, but any EGM so convened shall not be held after the expiration of three (3) months from the date of requisition. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene an EGM shall be repaid to the requisitionists by the Company.

2. Rights and procedures for shareholders to make proposals at a general meeting:

Shareholders may make any proposals relating to the business of the Company by sending such proposals to the Board through the Company Secretary in writing by mail to the Company's registered office at Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. For the requisition of a proposed resolution to be moved or business to be dealt with at a general meeting, shareholders are requested to follow the requirements and procedures as set out in the Companies Ordinance as below.

本公司股份過戶登記處接獲召開股東特別大會的請求通知後，會先核實請求的有效性。倘若請求獲確認，公司秘書將按照相關法定及監管規定適時與董事會安排召開股東特別大會，向本公司所有註冊股東發出充足的通知。然而，倘若請求未獲確認，將就此知會請求人且不會按其要求召開股東特別大會。

若董事在該請求書送交日期起計二十一(21)天內，未有在召開股東特別大會通告發出日期後不超過二十八(28)天內正式召開股東特別大會，則該等請求人士或佔全體請求人士一半以上總表決權的請求人士，可自行召開股東特別大會，但如此召開的股東特別大會不得在請求日期起計三(3)個月屆滿後舉行。倘因請求人基於董事未能妥為召開股東大會而產生任何合理開支，本公司須償還涉及的開支。

2. 股東於股東大會上提呈建議的權利及程序：

股東可通過公司秘書向董事會提呈與本公司事務有關的任何建議，有關建議須以書面郵寄方式寄送至本公司註冊辦事處，地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室。就擬於股東大會上提呈動議的決議案或擬處理的事務的要求，股東須遵從公司條例所載的以下規定及程序。

Pursuant to the Companies Ordinance, shareholders can submit a written requisition to request the Company to (a) give to the shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to the shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting if they represent

- (i) not less than one-fortieth (2.5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company; or
- (ii) not less than fifty (50) registered shareholders holding shares in the Company on which there has been paid up an average sum, per shareholder, of not less than HK\$2,000.

Such a requisition must

- (a) be signed by the requisitionists (which may be contained in one document or in several documents in like form);
- (b) be deposited at the registered office of the Company for the attention of the Company Secretary not less than six (6) weeks before the meeting in the case of a requisition requiring notice of a resolution or not less than one (1) week before the meeting in the case of any other requisition; and
- (c) be accompanied by a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all shareholders in accordance with the requirements under the applicable laws and rules.

Provided that if an annual general meeting is called for a date six (6) weeks or less after the requisition requiring notice of a resolution has been deposited at the registered office of the Company, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

根據公司條例，

- (i) 佔本公司附帶本公司股東大會投票權的繳足股本不少於四十分之一(2.5%)的股東；或
- (ii) 不少於五十(50)名持有本公司股份的註冊股東，而每名股東就其所持股份已繳足的平均股款不少於2,000港元，

可提出書面請求要求本公司(a)向有權接收下屆股東週年大會通知書的本公司股東發出通知書，內容有關可能會在該會議上恰當地動議並擬在該會議上動議的任何決議案；及(b)向有權接收股東大會通知書的股東傳閱一份字數不多於1,000字內容有關在任何提呈決議案所提述的事宜或有關將在該會議上處理的事務的陳述書。

該書面要求必須：

- (a) 載有全體請求人士簽署(簽署可載於一份或數份同樣格式的文件內)；
- (b) 送交本公司註冊辦事處，並註明收件人為公司秘書。如屬須發出通知的決議案的情況，該書面要求須在該股東大會舉行前不少於六(6)個星期送達；如屬任何其他情況，則須在該股東大會舉行前不少於一(1)個星期送達；及
- (c) 連同合理及足夠款項，用以支付本公司根據適用的法律及規則要求而向所有股東發出決議案通知及傳閱請求人士提交的陳述書所作出的開支。

但如屬須發出通知的決議案的書面要求在送達本公司的註冊辦事處後，股東週年大會於其後六(6)個星期或較短期間內的某日召開，則該書面要求雖然並非在所規定的時間內送達，但就此而言，亦須當作已恰當地送達。

3. Procedures for shareholders to propose a person for election as a Director:

Pursuant to Article 89 of the Articles of Association, no person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company provided that the minimum length of the period, during which such notices are given, shall be at least seven (7) days. The period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Shareholder(s) who wish(es) to nominate a person for election as a Director at a general meeting should deposit to the Company Secretary (i) a notice in writing stating your intention to propose a person to be elected as a Director at the general meeting; (ii) the notice in writing of the willingness of the nominated person to be elected as a Director; and (iii) the biographical details of the nominated person as set out in Rule 13.51(2) of the Listing Rules within seven (7) days after the date of despatch of the notice of the general meeting by the Company to all shareholders (or such other period, being a period of not less than seven (7) days, as may be determined and announced by the Directors of the Company from time to time) to enable shareholders to make an informed decision on their election.

4. Procedures for shareholders to send enquiries to the Board:

Shareholders and other stakeholders may, at any time, send their enquiries and concerns to the Board by addressing them to the Company Secretary in writing by mail to the Company's registered address at Suite 3904, 39/F, Tower 6 The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company Secretary will forward the enquiries or concerns to the Chairman of the Board or the chairman of the Board committees or senior management as appropriate within their area of responsibilities for handling.

3. 股東擬提名人士參選董事的程序：

根據組織章程細則第89條，除於會上告退之董事外，若非獲董事提名委任，任何人士概不得於任何股東大會上膺選出任董事，除非就擬提名有關人士參與董事選舉而向本公司發出書面通知，連同該被提名人士向本公司發出表明願意參選的書面通知，送交本公司則作別論，提交上述通知之最短期限為最少七(7)天，而提交該等通知之期間不得早於寄發進行該選舉董事之股東大會通告翌日，亦不得遲於該股東大會舉行日期前七(7)日。

有意於本公司股東大會上提名任何人士參選董事的股東應在本公司向全體股東寄發有關股東大會的通告日期後七(7)天內(或本公司董事可不時決定及公佈的任何其他期間(不少於七(7)天的期間))向公司秘書遞交(i)表明打算於股東大會上提呈一名人士參選董事的書面通知；(ii)被提名人士願意獲選為董事的書面通知；及(iii)上市規則第13.51(2)條所載被提名人士的履歷，以便股東在選舉一事上作出知情的決定。

4. 股東向董事會提出查詢的程序：

股東及其他利益相關人士可不時向董事會提出查詢及關注事宜，方法是將有關查詢及關注事宜以書面郵寄方式寄送至本公司註冊辦事處，地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室，以交予公司秘書。公司秘書會將查詢或關注事宜轉交董事會主席或董事委員會主席或主管有關範疇的適當高級管理人員。

Communication with Shareholders

The Board believes that general meeting can provide an open forum for communication between the Board and the shareholders of the Company. Shareholders are encouraged to attend general meetings of the Company and give valuable advice to the Company through this direct communication platform. The Company will convene an annual general meeting every year and convene any other general meetings as required. Sufficient notice for annual general meeting and other general meetings will be given to the shareholders in compliance with the requirements of the Articles of Association, Companies Ordinance and the Listing Rules. The Chairman of the Board will attend annual general meeting and invite the chairman of Audit Committee, Remuneration Committee, Nomination Committee and other Board Committees, in their absence, other members of these Board Committees, to attend annual general meeting. They will be available to answer questions raised by shareholders at annual general meeting. The chairman or other members of the independent board committee (if any) will be available to answer questions at any general meeting to approve connected transaction or any other transaction that requires independent shareholders' approval. External auditors will be invited to attend the annual general meeting of the Company to answer questions about the conduct of the audit, the preparation and content of the auditor's report, accounting policies and auditor's independence.

To facilitate enforcement of shareholders' rights, substantially different issues are dealt with under separate resolutions at general meetings of the Company.

Annual and interim reports and any significant events of the Company fall to be disclosed in accordance with the disclosure requirements under the Listing Rules and other applicable regulatory requirements will be published in a timely manner through the Company's website so as to safeguard the shareholders' rights of information.

The Company's website at www.welling.com.cn provides timely and updated information on investor relations, corporate governance and other latest news of the Company to enable shareholders and investors to have timely access to information about the Group.

The investor relations department of the Company is responsible for handling the communications with our investors, it will regularly organise road shows and one-on-one meetings with institutional investors and financial analyst to promote better understanding of the Company and keep continuous dialogues with professional investors.

與股東溝通

董事會相信，股東大會為董事會與本公司股東提供一個開放溝通場所。本公司鼓勵股東出席股東大會，藉此平台與本公司直接溝通，並提供寶貴的意見。本公司將每年舉行一次股東週年大會，並按需要舉行任何其他股東大會。本公司將遵守組織章程細則、公司條例及上市規則之規定向股東給予充足的股東週年大會及其他股東大會之通知。董事會主席會出席股東週年大會，並邀請審核委員會、薪酬委員會、提名委員會及其他董事委員會之主席（倘其缺席，則邀請該等董事委員會之其他成員）出席股東週年大會。彼等將於股東週年大會上解答股東提出的問題。獨立董事委員會（如有）之主席或其他成員將於任何就批准關連交易或任何其他須獲獨立股東批准的交易的股東大會上解答問題。外聘核數師將獲邀請出席本公司股東週年大會，解答有關進行審核、編製核數師報告及其內容、會計政策以及核數師是否獨立等問題。

本公司將於本公司之股東大會上分別以個別決議案處理內容迥異之議題，以促進股東行使其權利。

本公司網站將適時刊載年報、中期報告及本公司須根據上市規則之披露規定及其他適用監管規定披露之任何重大事件，以保障股東之知情權。

本公司網站 www.welling.com.cn 會適時登載有關投資者關係、企業管治及本公司其他最新訊息之更新資料，以確保股東及投資者可及時得知有關本集團之資訊。

本公司設有投資者關係部專責處理與投資者之溝通，投資者關係部門將定期舉行路演，以及與機構投資者及財務分析師之一對一會談，藉此加促外界了解本公司及維持與投資者之持續對話。

The Company has established the shareholders communication policy which is available on the website of the Company.

Amendments to Articles of Association

At the annual general meeting of the Company held on 31 May 2012, a special resolution was passed to amend the Articles of Association. Such amendments were made for the purpose of bringing the Articles of Association in line with the recent changes to the Listing Rules. As a result, a new Article 115A was added immediately after the existing Article 115 of the Articles of Association so as to add a new provision with regard to other means of communication allowed for the participation by Directors at the meetings of the Board or committees of the Board other than a physical attendance.

Details of the amendments to the Articles of Association are set out in the Company's circular dated 29 March 2012.

本公司已制定股東溝通政策，該政策可在本公司網站閱覽。

修訂組織章程細則

本公司已於二零一二年五月三十一日舉行的本公司股東週年大會上通過特別決議案修訂組織章程細則。該等修訂的目的為使組織章程細則符合上市規則近期的變動。因此，本公司於緊接現有組織章程細則第115條後新增細則第115A條，以加入關於准許董事以親身出席以外的其他通訊方式參與董事會或董事委員會會議的新條文。

組織章程細則修訂的詳情載於本公司二零一二年三月二十九日刊發的通函。

Biographical Details of Directors

Mr. ZHOU Xiangyang, aged 40, was appointed as an executive Director of the Company, the Chairman of the Board, the chairman of the Nomination Committee and the Executive Committee and a member of the Remuneration Committee on 12 December 2012. Mr. Zhou joined the Group in July 1996. Mr. Zhou is the General Manager of the Group. He has held various senior management positions in the Group and has considerable experience in sales, marketing and management of the business operations of the Group. He is also a director of certain subsidiaries of the Group. Mr. Zhou holds a Bachelor's Degree in Electrical Engineering from Harbin Institute of Technology and an Executive Master of Business Administration Degree (EMBA) from the Guanghua School of Management of Peking University.

Mr. JIANG Deqing, aged 43, was appointed as an executive Director and the Chief Executive Officer of the Company on 31 August 2008. Mr. Jiang is a member of the Remuneration Committee, the Nomination Committee and the Executive Committee of the Company. He joined the Group in May 1995. He is the Deputy General Manager of the Group. He has held various senior management positions in the Group and has over 17 years of experience in the motor industry and years of managerial experience. Mr. Jiang serves as a vice-chairman in certain subsidiaries of the Company. Mr. Jiang holds a Bachelor's Degree in Business Administration (Industrial Trade) from Chongqing University and an Executive Master of Business Administration Degree (EMBA) from the Guanghua School of Management of Peking University.

Ms. YUAN Liqun, aged 43, was appointed as a non-executive Director of the Company on 17 November 2004 and re-designated as an executive Director of the Company on 4 January 2007. Ms. Yuan is a member of the Executive Committee of the Company. She joined the Midea Group in 1992. She has held various senior management positions in the Midea Group and has considerable experience in finance, audit and overall management. Ms. Yuan is a director and senior vice-president of Midea Group Co., Ltd. and the chief financial officer of Midea Group. She is a director of GD Midea Holding Co., Ltd. ("GD Midea") which is a company controlled by Midea and the shares of which are listed on the Shenzhen Stock Exchange. Ms. Yuan is the chairman of Midea Group Finance Co., Ltd. She previously was a supervisor of GD Midea. She is also a director of certain subsidiaries of the Company. Ms. Yuan holds a Master of International Management Degree from The Australian National University.

董事履歷

周向陽先生，40歲，於二零一二年十二月十二日獲委任為本公司執行董事、董事會主席、提名委員會及行政委員會主席及薪酬委員會委員。周先生於一九九六年七月加盟本集團。周先生現為本集團總經理。彼於本集團先後擔任多個高級管理職位，對本集團業務的銷售、推廣及業務運作管理擁有豐富經驗。彼亦為本集團若干附屬公司的董事。周先生持有由哈爾濱工業大學頒發的電機及控制電器專業工學學士學位及由北京大學光華管理學院頒發的高級管理人員工商管理碩士(EMBA)學位。

姜德清先生，43歲，於二零零八年八月三十一日獲委任為本公司之執行董事及首席執行官。姜先生為本公司薪酬委員會、提名委員會及行政委員會委員。彼於一九九五年五月加盟本集團，姜先生為本集團副總經理。彼於本集團內先後擔任多個高級管理職位，於電機行業擁有超過十七年的經驗以及多年的管理經驗。姜先生亦為本公司多間附屬公司之副董事長。姜先生持有由重慶大學工商管理學院頒發的工業外貿學士學位，及由北京大學光華管理學院頒發的高級管理人員工商管理碩士(EMBA)學位。

袁利群女士，43歲，於二零零四年十一月十七日獲委任為本公司之非執行董事，其後於二零零七年一月四日調任為執行董事。袁女士為本公司行政委員會委員。彼於一九九二年加盟美的集團，先後擔任美的集團多個高級管理職位，對財務審計及整體管理擁有豐富經驗。袁女士現時為美的集團股份有限公司之董事兼高級副總裁，以及美的集團之財務總監。彼為廣東美的電器股份有限公司(「美的電器」)董事，美的電器為一間由美的控制之公司，其股份於深圳證券交易所上市。袁女士為美的集團財務有限公司董事長。彼之前曾任美的電器之監事長。彼亦為本公司多間附屬公司之董事。袁女士持有由澳洲國立大學頒發的國際管理學碩士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

Mr. LI Feide, aged 35, was appointed as an executive Director of the Company and a member of the Executive Committee on 12 December 2012. Mr. Li joined the Midea Group in July 1999. Mr. Li is a director, the board secretary and the director of the strategic business development unit of Midea. He is also a director of GD Midea and Wuxi Little Swan Holding Co., Ltd. (both companies are listed on the Shenzhen Stock Exchange). Mr. Li was the manager of the planning and investment department and the associate director of the strategic development department of Midea Group and the board secretary of GD Midea. Mr. Li holds a Bachelor's Degree of Mechanical Engineering and Automation from Huazhong University of Science and Technology and an Executive Master of Business Administration Degree (EMBA) from the Sun Yat-sen University.

Mr. LU Xiaoji, aged 35, was appointed as an executive Director, the Chief Financial Officer and the authorised representative of the Company and a member of the Executive Committee on 12 December 2012. Mr. Lu joined the Group in July 1999. Mr. Lu is the Financial Controller of the Group. He has held various senior and middle management positions in the Group and has considerable experience in the Group's business financial planning, accounting and auditing, costing management and fund management. He is also a director of a subsidiary of the Group. Mr. Lu holds a Bachelor's Degree in Economics with a major in Accounting from Zhongnan University of Finance and Economics and a Master of Business Administration Degree from the South China University of Technology. He is a certified public accountant of China.

Mr. LI Yang, aged 34, was appointed as an executive Director and a member of the Executive Committee on 12 December 2012. Mr. Li joined the Group in July 2001. Mr. Li is the director of operations and human resources department of the Group and has extensive experience in operations, human resources and strategic management. Mr. Li holds a Bachelor's Degree in Business Administration from the Southwestern University of Finance and Economics.

Mr. TAN Jinsong, aged 48, was appointed as an independent non-executive Director on 1 August 2009. Mr. Tan is the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Tan is a non-practicing member of the Guangdong Provincial Institute of Certified Public Accountants. He was approved as a PRC registered accountant in June 1995 and has become a non-practicing member of the Guangdong Provincial Institute of Certified Public Accountants since January 2003. He possesses over 27 years of experience in the profession of accounting and financial management. Mr. Tan is currently a professor of the School of Management of Sun Yat-sen University and was the Head of Department of the Faculty of Accountancy and the Vice Dean of the School of Management of Sun Yat-sen University.

李飛德先生，35歲，於二零一二年十二月十二日獲委任為本公司執行董事及行政委員會委員。李先生於一九九九年七月加盟美的集團。李先生現為美的的董事、董事會秘書及戰略經營部總監。彼亦為美的電器及無錫小天鵝股份有限公司(均為深圳證券交易所上市的公司)的董事。李先生曾任美的集團企劃投資經理、戰略發展部副總監、美的電器董事會秘書等職。李先生持有由華中理工大學頒發的機械工程及自動化工學學士學位及由中山大學頒發的高級管理人員工商管理碩士(EMBA)學位。

呂曉繼先生，35歲，於二零一二年十二月十二日獲委任為本公司執行董事、首席財務官及授權代表，以及行政委員會委員。呂先生於一九九九年七月加盟本集團。呂先生為本集團財務管理部總監。於本集團先後擔任多個中高級管理職位，對本集團業務的財務規劃、會計核算、成本管理、資金管理擁有豐富經驗。彼亦為本集團一家附屬公司的董事。呂先生持有由中南財經大學頒發的會計學專業經濟學學士學位，以及由華南理工大學頒發的企業管理專業管理學碩士學位。彼為中國的註冊會計師。

李楊先生，34歲，於二零一二年十二月十二日獲委任為本公司執行董事及行政委員會委員。李先生於二零零一年七月加盟本集團。李先生現為本集團營運及人力資源部總監，在營運、人力資源及戰略管理等方面有豐富的經驗。李先生持有由西南財經大學頒發的管理學學士學位。

譚勁松先生，48歲，於二零零九年八月一日獲委任為本公司獨立非執行董事。譚先生為本公司審核委員會主席以及薪酬委員會及提名委員會委員。譚先生現為廣東省註冊會計師協會的非執業會員。彼於一九九五年六月獲批准為中國註冊會計師，並由二零零三年一月起為廣東省註冊會計師協會的非執業會員。彼於會計及財務管理方面擁有逾二十七年經驗。譚先生現為中山大學管理學院教授，並曾任中山大學會計系主任及管理學院副院長。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員履歷

Mr. Tan is an independent director of Sundiro Holding Co., Ltd., Yihua Real Estate Co., Ltd. (both companies are listed on the Shenzhen Stock Exchange), Grandhope Biotech Co., Ltd. (a company listed on the ChiNext of the Shenzhen Stock Exchange) and Poly Real Estate Group Co., Ltd. (a company listed on the Shanghai Stock Exchange).

He was an independent director of a number of PRC listed companies, including Huafa Industrial Share Co., Ltd., Guangdong Guanhao High-Tech Co., Ltd. and Cosco Shipping Co., Ltd., all of which are listed on the Shanghai Stock Exchange, and GD Midea Holding Co., Ltd., Guangdong Ronsen Super Mirco-Wire Co., Ltd. and Foshan Huaxin Packaging Co., Ltd., which companies are listed on the Shenzhen Stock Exchange.

Mr. LAM Ming Yung, aged 49, was appointed as an independent non-executive Director of the Company on 1 December 1999. Mr. Lam is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. He graduated from the School of Law of Shanghai Eastern Chinese College of Politics and Jurisprudence with a Bachelor of Law Degree in 1986. Mr. Lam started practicing law in 1987 in the province of Fujian in the PRC, and moved to Hong Kong in mid-1993. He was registered as a foreign lawyer with The Law Society of Hong Kong in July 1995, and is now practicing as Chief PRC Consultant, Corporate Finance, and Foreign Legal Consultant (PRC), in the Hong Kong office of Sidley Austin LLP. Mr. Lam was an independent non-executive director of China Agrotech Holdings Limited and a non-executive director of China Mining Resources Group Limited, both companies are listed on the Stock Exchange of Hong Kong. Mr. Lam was also an independent non-executive director of China Lifestyle Food & Beverages Group Limited, a company listed on the Stock Exchange of Singapore.

Ms. CHEN Chunhua, aged 49, was appointed as an independent non-executive Director of the Company on 22 December 2004. Ms. Chen is the chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company. Ms. Chen holds a Postdoctorate Degree in Business Administration from Nanjing University. She was a professor, tutor of doctoral candidates and Vice Dean of the Faculty of Business Administration of South China University of Technology. She was a visiting professor for the Asia-Pacific EMBA Program of The National University of Singapore and is a part-time professor of Nanjing University. Ms. Chen's research speciality was enterprise management, particularly enterprise organisation and operational management. Ms. Chen was a president and a director of Shandong Liuhe Company Limited and has considerable experience in enterprise operational management. Ms. Chen is presently an independent director of China Merchants Fund Management Co. Ltd. and Shunde Rural Commercial Bank Co., Ltd. and the independent non-executive director of SPT Energy Group Inc., a company listed on the Stock Exchange of Hong Kong Limited.

譚先生現時為新大洲控股股份有限公司、宜華地產股份有限公司(兩家公司均於深圳證券交易所上市)、廣東冠昊生物科技股份有限公司(於深圳證券交易所創業版上市的公司)以及保利房地產(集團)股份有限公司(於上海證券交易所上市的公司)的獨立董事。

彼亦曾於多間中國上市公司擔任獨立董事，包括於上海證券交易所上市的珠海華發實業股份有限公司、廣東冠豪高新技術股份有限公司以及中遠航運股份有限公司，以及於深圳證券交易所上市的廣東美的電器股份有限公司、廣東蓉勝超微線材股份有限公司及佛山華新包裝股份有限公司。

林明勇先生，49歲，於一九九九年十二月一日獲委任為本公司之獨立非執行董事。林先生為本公司審核委員會、薪酬委員會及提名委員會委員。彼於一九八六年畢業於華東政法學院，取得法律學士學位。林先生於一九八七年開始在中國福建省執業，並於一九九三年中遷往香港。林先生於一九九五年七月向香港法律學會註冊為海外律師，現時於盛德律師事務所香港辦事處執業為中國企業融資部首席顧問及境外法律顧問(中國)。林先生曾為浩倫農業科技集團有限公司之獨立非執行董事，以及中國礦業資源集團有限公司之非執行董事，彼等均為於香港聯合交易所上市之公司。林先生亦曾為於新加坡證券交易所上市之中國休閒食品集團有限公司之獨立非執行董事。

陳春花女士，49歲，於二零零四年十二月二十二日獲委任為本公司之獨立非執行董事。陳女士為本公司薪酬委員會主席、審核委員會及提名委員會委員。彼持有由南京大學頒發的工商管理博士後學位。陳女士曾任華南理工大學工商管理學院教授、博士生導師及工商管理學院副院長。彼曾擔任新加坡國立大學管理學院亞太高層企業主管碩士課程客座教授，現為南京大學兼職教授。陳女士的研究領域為企業管理，且特別擅長企業組織及經營管理。陳女士曾任山東六和集團有限公司總裁及董事，並對企業經營管理擁有豐富經驗。陳女士現時為招商基金管理公司及順德農村商業銀行股份有限公司的獨立董事，以及於香港聯合交易所有限公司上市的華油能源集團有限公司的獨立非執行董事。

Biographical Details of Senior Management

Mr. HUANG Geping, aged 41, joined the Group in July 1995. Mr. Huang is the director of quality control department of the Group. Mr. Huang has held various senior and middle management positions in the Group and has extensive management experience in the production management, quality control, lean production management, technology development management and customer services of the Group's business. Mr. Huang holds a Master of Business Administration Degree from Wuhan University of Technology.

Mr. LI Xianlu, aged 33, joined the Group in July 2001. Mr. Li is the director of production centre of the Group. He has held various senior management positions in the Group and has extensive experience in the production management, planned logistics management, engineering and technology management of the Group's business. Mr. Li holds a Bachelor's Degree in Electrical Engineering from Shanghai Jiao Tong University.

Mr. XIONG Jun, aged 35, joined the Group in June 2004. Mr. Xiong is the director of supply chain management department of the Group. He has held various senior management positions in the Group including the general manager of the marketing company, the general manager of the home appliances motors and the director of production centre and has extensive experience in marketing management, production management and supply chain management. Mr. Xiong holds a Bachelor's Degree in Automotive Engineering from Wuhan Automotive Polytechnic University and a Master of Business Administration Degree from Wuhan University.

Mr. WANG Hongxiao, aged 38, joined the Group in September 1999. Mr. Wang is the officer of technology development centre of the Group. He has held various senior and middle management positions in the Group and is familiar with the production process and integrated management of the Group's principal motor business. He has been in charge of various jobs relating to the development of new products. Mr. Wang holds a Bachelor's Degree in Electrical Engineering from Harbin Institute of Technology.

高級管理人員履歷

黃格平先生，41歲，於一九九五年七月加盟本集團，黃先生為本集團的品質管理部總監。黃先生於本集團曾先後擔任多個中高級管理職位，對本集團業務的製造管理、品質管理、精益管理以及技術開發管理與客戶的服務等方面有著豐富的管理經驗。黃先生持有由武漢理工大學頒發的企業管理學碩士學位。

李先路先生，33歲，於二零零一年七月加盟本集團。李先生現為本集團製造中心總監。彼於本集團曾先後擔任多個高級管理職位，對本集團業務的製造管理、計劃物流管理、工程技術管理等擁有豐富經驗。李先生持有由上海交通大學頒發的電機電器及其控制專業工學學士學位。

熊峻先生，35歲，於二零零四年六月加盟本集團。熊先生為本集團供應鏈管理部總監。彼於本集團曾先後擔任過行銷公司總經理、家用電機總經理及製造中心總監多個高級管理職位，對本集團業務的行銷管理、製造管理、供應鏈管理擁有豐富經驗。熊先生持有由武漢汽車工業大學頒發的汽車工程專業工學學士學位，以及由武漢大學頒發的工商管理碩士學位(MBA)。

王洪曉先生，38歲，於一九九九年九月加盟本集團。王先生為本集團技術開發中心主任。彼於本集團曾先後擔任多個中高級管理崗位，熟悉本集團的主營電機業務的生產制程及綜合管理，從事主導過多項新產品的拓展工作，王先生持有由哈爾濱工業大學頒發的電機專業工學學士學位。

The Directors hereby present this report of the Directors and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2012.

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the subsidiaries of the Company are set out in Note 9 to the consolidated financial statements.

An analysis of the Group's performance for the Year by business and geographical segments is set out in Note 5 to the consolidated financial statements.

Final Results

The final results of the Group for the Year are set out in the consolidated income statement on pages 73 to 74.

Dividend

The Board has recommended the payment of a final dividend of HK4.8 cents per ordinary share for the year ended 31 December 2012 (2011: HK4 cents). Subject to the approval of the shareholders of the Company at the annual general meeting of the Company to be held on 30 May 2013 ("AGM"), the proposed final dividend will be paid on or about 17 June 2013 to the shareholders whose names appear on the register of members of the Company on 6 June 2013.

Closure of Register of Members

For the purpose of ascertaining the shareholders' rights of attending and voting at the AGM, the register of members of the Company will be closed from 27 May 2013 to 30 May 2013, both days inclusive, during which period no transfer of shares shall be effected. In order to be entitled to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 24 May 2013.

董事謹此提呈本公司及本集團截至二零一二年十二月三十一日止年度之本董事會報告及經審核綜合財務報表。

主要業務及營運地區之分析

本公司之主要業務為投資控股，而本公司之附屬公司主要業務則載於綜合財務報表附註9。

本集團於本年度按業務及地區分部之業績表現分析載於綜合財務報表附註5。

全年業績

本集團於本年度之全年業績載於第73頁至第74頁之綜合收益表內。

股息

董事會建議派發截至二零一二年十二月三十一日止年度末期股息每股普通股4.8港仙(二零一一年：4港仙)。倘獲本公司股東於二零一三年五月三十日舉行的本公司股東週年大會(「股東週年大會」)上批准，建議末期股息將於二零一三年六月十七日或前後向於二零一三年六月六日在本公司股東名冊上已登記之本公司股東派發。

暫停辦理股份過戶登記

本公司將於二零一三年五月二十七日至二零一三年五月三十日(包括首尾兩日)暫停辦理股份過戶登記手續，以便確定股東有權出席股東週年大會並於會上投票，期間不接受任何股份轉讓登記。為了有權出席股東週年大會並於會上投票，所有過戶文件連同有關股票須不遲於二零一三年五月二十四日下午四時三十分交回本公司股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

For the purpose of determining the identity of shareholders who are entitled to the proposed final dividend, the register of members of the Company will be closed from 5 June 2013 to 6 June 2013, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 4 June 2013.

Reserves

Details of movements in reserves of the Company and the Group during the Year are set out in Note 17 to the consolidated financial statements.

Property, Plant and Equipment

Details of movements in property, plant and equipment of the Company and the Group during the Year are set out in Note 7 to the consolidated financial statements.

Share Capital

Details of the movements in share capital of the Company during the Year are set out in Note 16(a) to the consolidated financial statements.

Distributable Reserves

As at 31 December 2012, the Company had distributable reserves amounting to HK\$161,162,000 (2011: HK\$121,531,000).

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, restated and reclassified as appropriate, is set out on page 188. This summary does not form part of the audited consolidated financial statements.

Purchase, Sale or Redemption of Listed Securities

The Company has not redeemed any of its shares during the Year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Year.

本公司將於二零一三年六月五日至二零一三年六月六日(包括首尾兩日)暫停辦理股份過戶登記手續，以便確定有權收取建議末期股息的股東，期間不接受任何股份轉讓登記。為符合資格收取建議末期股息，所有過戶文件連同有關股票須不遲於二零一三年六月四日下午四時三十分交回本公司的股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712–1716室。

儲備

本公司及本集團於本年度之儲備變動詳情載於綜合財務報表附註17。

物業、廠房及設備

本公司及本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註7。

股本

本公司於本年度之股本變動詳情載於綜合財務報表附註16(a)。

可供分派之儲備

於二零一二年十二月三十一日，本公司可供分派之儲備為港幣161,162,000元(二零一一年：港幣121,531,000元)。

五年財務摘要

本集團於過往五個財政年度經適當重列及重新歸類之業績、資產及負債摘要載於第188頁。該摘要並不構成經審核綜合財務報表之一部分。

購買、出售或贖回上市證券

本公司於本年度並無贖回本身之股份。本公司或其任何附屬公司於本年度亦無購買或出售任何本公司之股份。

Share Option Scheme

Details of the share option scheme of the Company adopted on 27 June 2003 (the "Share Option Scheme") are disclosed in Note 16(b) to the consolidated financial statements.

Directors

The Directors during the Year and up to the date of this annual report were:

Executive Directors

Mr. ZHOU Xiangyang (*Chairman*)
(appointed on 12 December 2012)
Mr. JIANG Deqing (*Chief Executive Officer*)
Ms. YUAN Liquan
Mr. LI Feide (appointed on 12 December 2012)
Mr. LU Xiaoji (appointed on 12 December 2012)
Mr. LI Yang (appointed on 12 December 2012)
Mr. CAI Qiwu (resigned on 12 December 2012)
Mr. QU Fei (resigned on 12 December 2012)
Mr. CHEN Jianhong (resigned on 12 December 2012)
Mr. LI Jianwei (resigned on 12 December 2012)
Mr. ZHENG Weikang (resigned on 12 December 2012)

Independent Non-executive Directors

Mr. TAN Jinsong
Mr. LAM Ming Yung
Ms. CHEN Chunhua

In accordance with Article 87 of the Company's Articles of Association, Mr. Zhou Xiangyang, Mr. Li Feide, Mr. Lu Xiaoji and Mr. Li Yang, who were appointed by the Board to fill casual vacancies during the Year, will retire at the AGM and, being eligible, will offer themselves for re-election at the AGM.

In accordance with Article 91 of the Company's Articles of Association, Mr. Jiang Deqing and Mr. Tan Jinsong will retire by rotation at the AGM and, being eligible, will offer themselves for re-election at the AGM.

購股權計劃

本公司於二零零三年六月二十七日採納之購股權計劃(「購股權計劃」)之詳情於綜合財務報表附註16(b)披露。

董事

於本年度及截至本年報日期在任之董事如下：

執行董事

周向陽先生(主席)
(於二零一二年十二月十二日獲委任)
姜德清先生(首席執行官)
袁利群女士
李飛德先生(於二零一二年十二月十二日獲委任)
呂曉繼先生(於二零一二年十二月十二日獲委任)
李楊先生(於二零一二年十二月十二日獲委任)
蔡其武先生(於二零一二年十二月十二日辭任)
瞿飛先生(於二零一二年十二月十二日辭任)
陳建紅先生(於二零一二年十二月十二日辭任)
栗建偉先生(於二零一二年十二月十二日辭任)
鄭偉康先生(於二零一二年十二月十二日辭任)

獨立非執行董事

譚勁松先生
林明勇先生
陳春花女士

根據本公司之組織章程細則第87條，由董事會委任以填補本年度臨時空缺的周向陽先生、李飛德先生、呂曉繼先生及李楊先生，將於股東週年大會退任，並符合資格且願意於股東週年大會上重選連任。

根據本公司之組織章程細則第91條，姜德清先生及譚勁松先生將於股東週年大會輪值退任，並符合資格且願意於股東週年大會上重選連任。

Directors' Service Contracts

On 31 May 2012, the Company entered into the letters of appointment with each of the three independent non-executive Directors, namely, Mr. Tan Jinsong, Mr. Lam Ming Yung and Ms. Chen Chunhua for a term commencing on 31 May 2012 and ending on the date of the AGM as their respective letters of appointment had expired on 31 May 2012.

The above-mentioned letters of appointment provide that the remuneration of the Directors shall be determined in accordance with the remuneration policy as approved by the Board from time to time. Such letters of appointment are terminable by either party upon one month's written notice given to the other party or the payment of a sum equal to the relevant Director's monthly remuneration made to the other party. These letters of appointment are exempt from the shareholders' approval requirement under Rule 13.68 of the Listing Rules.

Save as disclosed herein, none of the Directors proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without the payment of compensation, other than statutory compensation.

Independence of Independent Non-Executive Directors

Each of the independent non-executive Directors has submitted to the Company the annual confirmation of independence for the year ended 31 December 2012. Nomination Committee has reviewed such annual confirmation of independence and assessed the independence of each of the independent non-executive Directors based on the guidelines set out in Rule 3.13 of the Listing Rules and considered that all the independent non-executive Directors are independent. The Board adopted the view of the Nomination Committee and confirmed that all the independent non-executive Directors are independent.

Remuneration Policy

The remuneration policy of the Group is set on the principles that the remuneration packages of employees should be determined based on the job duties, responsibilities, work performance, qualifications and competence of each individual employee, performance of the Group and the prevailing market and economic conditions in order to attract and retain high-calibre employees needed to run the Company successfully.

董事服務合約

於二零一二年五月三十一日，本公司分別與三名獨立非執行董事譚勁松先生、林明勇先生及陳春花女士各自訂立委任書，任期由二零一二年五月三十一日開始至股東週年大會日期止，因彼等各自之委任書已於二零一二年五月三十一日屆滿。

上述委任書列明董事之薪酬將根據董事會不時批准之薪酬政策釐定。該等委任書可由任何一方向另一方作出一個月書面通知或向另一方支付相等於有關董事每月薪酬之金額予以終止。根據上市規則第13.68條，該等委任書獲豁免遵守股東批准規定。

除本報告所披露者外，所有擬於股東週年大會上重選連任之董事，概無與本公司訂有本公司不可於一年內免付補償(法定補償除外)而終止之服務合約。

獨立非執行董事之獨立性

各獨立非執行董事已就截至二零一二年十二月三十一日止年度向本公司遞交就其獨立性而作出之年度確認書。提名委員會已按照上市規則第3.13條所列的指引審閱有關年度確認書，評核各獨立非執行董事的獨立性，並認為全體獨立非執行董事皆屬獨立。董事會已接納提名委員會的意見，並確認全體獨立非執行董事皆屬獨立。

薪酬政策

本集團訂立之薪酬政策，是基於每位個別僱員的工作職責、責任、工作表現、資歷及能力、本集團業績表現以及當時市場及經濟狀況而釐定僱員薪酬待遇為原則，以吸引和保留人才以切合本公司成功營運所需。

The remuneration packages of executive Directors and senior management of the Company are reviewed annually and determined by the Remuneration Committee based on the duties, responsibilities of each individual executive Director and senior management staff, performance of the Group and the remuneration packages paid by comparable companies in the same industry based on the prevailing market conditions. No Director or any of his associates will be involved in deciding his own remuneration. Remuneration of independent non-executive Directors will be reviewed annually and recommended by the Remuneration Committee to the Board for final approval.

The Company has adopted the Share Option Scheme for the purpose of providing incentives to stimulate the Directors of the Company and eligible employees of the Group.

Pension Schemes

Details of the pension schemes operated by the Group are set out in Note 25(a) to the consolidated financial statements.

Directors' Interests in Contracts

Save as disclosed in Note 35 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company, its fellow subsidiaries or its holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Biographical Details of Directors and Senior Management

Brief biographical details of the Directors and senior management of the Company are set out on pages 46 to 49.

Directors' and Chief Executive's Interests in Equity or Debt Securities

As at 31 December 2012, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), Chapter 571 of the laws of Hong Kong), as recorded in the register required to be kept by the Company under section 352 of the SFO or which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive was taken or deemed to have under such provisions of the SFO) and the Model Code for Securities

本公司執行董事及高級管理人員之薪酬待遇由薪酬委員會每年檢討及基於每位個別執行董事及高級管理人員之職責、責任及本集團業績表現以及業內可比較公司根據目前市況所支付之薪酬待遇而釐定。董事或任何其聯繫人士不得參與釐定其本身之薪酬。獨立非執行董事之薪酬則由薪酬委員會每年檢討並向董事會建議以作最後批准。

本公司已採納購股權計劃，旨在向本公司董事及本集團合資格僱員提供獎勵及激勵。

退休金計劃

本集團管理的退休金計劃詳情載於綜合財務報表附註25(a)。

董事之合約權益

除綜合財務報表附註35所披露者外，於本年度結束時或本年度任何時間內，本公司、其同系附屬公司或其控股公司概無訂立任何與本集團業務有重大關係而本公司董事直接或間接在其中擁有重大權益之合約。

董事及高級管理人員之個人履歷

董事及本公司高級管理人員之個人履歷載於第46頁至49頁。

董事及最高行政人員於股本證券或債務證券之權益

於二零一二年十二月三十一日，董事及本公司最高行政人員在本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有須記入本公司根據證券及期貨條例第352條所述而存置之登記冊之權益及淡倉，或根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例有關條文該董事或最高行政人員持有或被視作持有之權益及淡倉)，及根據上市規則中上

REPORT OF THE DIRECTORS

董事會報告

Transactions by Directors of Listed Issuers (“Model Code”) contained in the Listing Rules, were as follows:

市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

Interests in share options of the Company (long position)

於本公司之購股權權益(好倉)

During the Year, the movement of the share options granted to the Directors under the Share Option Scheme were as follows:

於本年度，根據購股權計劃授予董事之購股權變動如下：

Name	Date of grant	Options granted	Balance of vested options at 1 January 2012	Options vested during the Year	Balance of vested options at 31 December 2012	Exercise price per option	Exercise period	Closing price immediately before the date of grant	
姓名	授出日期	授出購股權	二零一二年一月一日已歸屬的購股權結餘	本年度歸屬的購股權	二零一二年十二月三十一日已歸屬的購股權結餘	每份購股權行使價	行使期限	緊接授出日期前股份收市價	
						HK\$ 港幣		HK\$ 港幣	
Directors	董事								
Mr. Zhou Xiangyang (Note b)	周向陽先生 (附註b)	09/01/2009	7,200,000	3,600,000	1,800,000	5,400,000	0.785	01/04/2011– 31/03/2017 (Note a) (註a)	0.151
Mr. Jiang Deqing	姜德清先生	09/01/2009	7,200,000	3,600,000	1,800,000	5,400,000	0.785	01/04/2011– 31/03/2017 (Note a) (註a)	0.151
Mr. Lam Ming Yung	林明勇先生	30/07/2007	400,000	400,000	—	400,000	3.900	30/07/2007– 29/07/2017	0.77
		09/01/2009	1,000,000	500,000	250,000	750,000	0.785	01/04/2011– 31/03/2017 (Note a) (註a)	0.151
Ms. Chen Chunhua	陳春花女士	30/07/2007	400,000	400,000	—	400,000	3.900	30/07/2007– 29/07/2017	0.77
		09/01/2009	1,000,000	500,000	250,000	750,000	0.785	01/04/2011– 31/03/2017 (Note a) (註a)	0.151
Mr. Cai Qiwu (Note c)	蔡其武先生 (附註c)	09/01/2009	13,600,000	6,800,000	3,400,000	10,200,000	0.785	01/04/2011– 31/03/2017 (Note a) (註a)	0.151
Mr. Qu Fei (Note c)	瞿飛先生 (附註c)	09/01/2009	4,400,000	2,200,000	1,100,000	3,300,000	0.785	01/04/2011– 31/03/2017 (Note a) (註a)	0.151

Notes:

(a) The consideration for each of the grants above was HK\$1. The options granted on 9 January 2009 shall be exercisable during the option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:

1. the first 25% of the options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");
2. the second 25% of the options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
3. the third 25% of the options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
4. the remaining 25% of the options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.

(b) Mr. Zhou Xiangyang was appointed as an executive Director of the Company on 12 December 2012.

(c) Mr. Cai Qiwu and Mr. Qu Fei resigned as executive Directors of the Company on 12 December 2012.

Details of the Share Option Scheme are disclosed in Note 16(b) to the consolidated financial statements.

Save as disclosed above, at no time during the year ended 31 December 2012 was the Company or any of its subsidiaries or associated corporations (within the meaning of the SFO), its fellow subsidiaries or its holding company, a party to any arrangements to enable the Directors or the chief executive of the Company to acquire benefits by means of the acquisition of the shares in, or debentures of, the Company or any of its associated corporations (within the meaning of the SFO), or had exercised any such rights during the Year.

附註：

(a) 上述授出購股權之代價為港幣1元。於二零零九年一月九日授出的購股權可於購股權期間行使，惟需按下列四期各25%比例歸屬及達至有關期間本公司擁有人應佔純利之表現目標：

1. 首25%授予各承授人之購股權可於二零一零年三月三十一日以後七年內行使，惟需根據本公司全年業績公佈所披露截至二零零九年十二月三十一日止財政年度本公司擁有人應佔純利不少於截至二零零八年十二月三十一日止財政年度本公司擁有人應佔純利(不包括來自自己終止經營業務之業績)(「二零零八年純利」)之100%；
2. 次25%授予各承授人之購股權可於二零一一年三月三十一日以後六年內行使，惟需根據本公司全年業績公佈所披露截至二零一零年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之150%；
3. 第三個25%授予各承授人之購股權可於二零一二年三月三十一日以後五年內行使，惟需根據本公司全年業績公佈所披露截至二零一一年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之200%；及
4. 餘下25%授予各承授人之購股權可於二零一三年三月三十一日以後四年內行使，惟需根據本公司全年業績公佈所披露截至二零一二年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之280%。

(b) 周向陽先生於二零一二年十二月十二日獲委任為本公司執行董事。

(c) 蔡其武先生及瞿飛先生於二零一二年十二月十二日辭任本公司執行董事。

購股權計劃之詳情於綜合財務報表附註16(b)披露。

除上文所披露者外，於截至二零一二年十二月三十一日年度內，本公司或其任何附屬公司或相聯法團(定義見證券及期貨條例)、其同系附屬公司或其控股公司概無參與任何安排，致使董事或本公司最高行政人員藉購入本公司或任何其相聯法團(定義見證券及期貨條例)之任何股份或債券而獲益，或於本年度內行使任何該等權利。

Other than those interests disclosed above, as at 31 December 2012, none of the Directors and the chief executive of the Company and their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were recorded in the register kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Interest in Competing Businesses

As at 31 December 2012, none of the Directors was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

除上文所披露之權益外，於二零一二年十二月三十一日，董事及本公司最高行政人員及其各自聯繫人士並無擁有本公司或其相關法團(定義見證券及期貨條例)之股份、相關股份或債券之任何權益或淡倉而須根據證券及期貨條例第XV部第7及第8分部(包括彼根據證券及期貨條例有關條文持有或被視作持有之權益及淡倉)知會本公司及聯交所或根據證券及期貨條例第352條記入本公司存置之登記冊內，或須根據標準守則知會本公司及聯交所。

董事於競爭業務之權益

於二零一二年十二月三十一日，概無董事於本集團業務以外之任何業務中擁有與本集團業務直接或間接構成或可能構成競爭之權益。

Substantial Shareholders' Interests

As at 31 December 2012, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

主要股東權益

根據證券及期貨條例第336條本公司須存置之登記冊顯示，於二零一二年十二月三十一日，下列人士(董事或本公司最高行政人員除外)於本公司之股份及相關股份中擁有權益或淡倉：

Name of shareholder 股東姓名／名稱		Nature of Interest 權益性質	Number of shares held 持有股份數目	Approximate percentage of shareholding 持股概約百分比
Midea Holding (Cayman Islands) Limited ("Midea (Cayman Islands)") (Note 1) 美的控股(開曼群島)有限公司 (「美的(開曼群島)」)(附註1)	Long position 好倉	Beneficial interest 實益權益	1,901,204,779	67.38%
Midea Investment Holding (BVI) Limited ("Midea Holding") (Note 2) 美的控股(BVI)有限公司(「美的控股」)(附註2)	Long position 好倉	Interest in a controlled corporation 受控法團權益	1,901,204,779	67.38%
Midea Group Co., Ltd. ("Midea") (Note 3) 美的集團股份有限公司(前稱美的集團有限 公司(「美的」)(附註3)	Long position 好倉	Interest in controlled corporations 受控法團權益	1,947,116,779	69.00%
Foshan Shunde Midea Investment Holding Co., Ltd. ("Shunde Midea") (Note 4) 佛山市順德區美的投資控股有限公司 (「順德美的」)(附註4)	Long position 好倉	Interest in controlled corporations 受控法團權益	1,947,116,779	69.00%
Mr. He Xiangjian (Note 5) 何享健先生(附註5)	Long position 好倉	Interest in controlled corporations 受控法團權益	1,947,116,779	69.00%
Ms. Liang Fengchai (Note 6) 梁鳳釵女士(附註6)	Long position 好倉	Interest of spouse 配偶權益	1,947,116,779	69.00%

Notes:

附註：

- These 1,901,204,779 shares of the Company were registered in the name of and beneficially owned by Midea (Cayman Islands).
- Midea Holding was deemed to be interested in the 1,901,204,779 shares of the Company in which Midea (Cayman Islands) was interested by virtue of its holding 100% equity interest in Midea (Cayman Islands).

- 美的(開曼群島)以其名義登記並實益擁有該等1,901,204,779股本公司股份。
- 美的控股藉持有美的(開曼群島)100%股權而被視為美的(開曼群島)擁有權益之1,901,204,779股本公司股份中擁有權益。

3. There were 45,912,000 shares of the Company registered in the name of and beneficially owned by Midea International Corporation Company Limited ("Midea International") which is a company owned as to 100% by Midea. Midea Holding is also a company owned as to 100% by Midea. Accordingly, Midea was deemed to be interested in the aggregate of 1,947,116,779 shares of the Company including 45,912,000 shares in which Midea International was interested and 1,901,204,779 shares in which Midea Holding was deemed to be interested by virtue of its holding 100% equity interest in both Midea International and Midea Holding.
4. The registered capital of Midea is owned as to 59.85% by Shunde Midea. Accordingly, Shunde Midea was deemed to be interested in the aggregate number of 1,947,116,779 shares of the Company in which Midea was deemed to be interested by virtue of its holding 59.85% equity interest in Midea.
5. The registered capital of Shunde Midea is owned as to 94.55% by Mr. He Xiangjian. Accordingly, Mr. He Xiangjian was deemed to be interested in the aggregate number of 1,947,116,779 shares of the Company in which Shunde Midea was deemed to be interested by virtue of his holding 94.55% equity interest in Shunde Midea.
6. Ms. Liang Fengchai is the spouse of Mr. He Xiangjian and is therefore deemed to be interested in the aggregate number of 1,947,116,779 shares of the Company in which Mr. He Xiangjian was deemed to be interested.
3. 美的國際控股有限公司(「美的國際」)為美的的全資擁有的公司，以其名義登記並實益擁有45,912,000股本公司股份。美的控股亦為美的的全資擁有的公司。因此，美的藉持有美的國際及美的控股的100%股權而被視為於總數1,947,116,779股本公司股份(包括美的國際擁有權益的45,912,000股股份及美的控股被視為擁有權益的1,901,204,779股股份)中擁有權益。
4. 順德美的擁有美的的註冊資本之59.85%。因此，順德美的藉持有美的的59.85%股權而被視為於美的的被視為擁有權益之總數1,947,116,779股本公司股份中擁有權益。
5. 何享健先生擁有順德美的的註冊資本之94.55%。因此，何享健先生藉持有順德美的的94.55%股權而被視為於順德美的的被視為擁有權益之總數1,947,116,779股本公司股份中擁有權益。
6. 梁鳳釵女士為何享健先生之配偶，因此，被視為於何享健先生被視為擁有權益之總數1,947,116,779股本公司股份中擁有權益。

Save as disclosed above, as at 31 December 2012, the Company was not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or a short position in the shares or underlying shares of the Company which was required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register kept by the Company under section 336 of the SFO.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

Major Customers and Suppliers

Sales to the Group's five largest customers together accounted for less than 30% of the Group's total sales during the Year.

Purchases from the Group's five largest suppliers together accounted for less than 30% of the Group's total purchase during the Year.

除上文披露者外，於二零一二年十二月三十一日，本公司並不知悉任何其他人士(本公司董事或最高行政人員除外)於本公司股份或相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及3分部知會本公司及記入本公司根據證券及期貨條例第336條須存置之登記冊內。

管理合約

於本年度，本公司並無就整體業務或任何重要業務之管理及行政工作簽訂或訂有任何合約。

主要客戶及供應商

本集團五大客戶之銷售額共佔本集團於本年度之銷售總額低於30%。

本集團五大供應商之採購額共佔本集團於本年度內之採購總額低於30%。

Connected Transactions and Continuing Connected Transactions

During the Year, the Group had the following connected and continuing connected transactions which were disclosed by published announcements:

Connected Transaction

On 18 September 2012, 廣東威靈電機製造有限公司 (Guangdong Welling Motor Manufacturing Co., Ltd.) (“GD Welling”, a wholly-owned subsidiary of the Company) as a guarantor entered into a guarantee agreement (“Guarantee Agreement”) in favour of 美的集團財務有限公司 (Midea Group Finance Co., Ltd.) (“Finance Company”, a subsidiary of Midea which is the controlling shareholder of the Company) to guarantee the repayment of one-year term loan in amount of RMB100,000,000 (“Loan Facility”) granted by the Finance Company to 山西華翔集團有限公司 (Shanxi Huaxiang Group Co., Ltd.) (“Shanxi Huaxiang”), which is a company owned as to 49% by GD Welling and 51% by 山西臨汾華翔實業有限公司 (“Huaxiang”, an independent third party). To fully secure the repayment obligations of Shanxi Huaxiang under the Loan Facility, Huaxiang, being another shareholder of Shanxi Huaxiang, has also entered into another guarantee agreement in respect of the Loan Facility on the same date on terms similar to the Guarantee Agreement. The provision of guarantee by GD Welling under the Guarantee Agreement constituted a connected transaction of the Company and was subject to reporting and announcement requirement but exempt from independent shareholder’s approval requirement under Chapter 14A of the Listing Rules. Details of the Guarantee Agreement are disclosed in the Company’s announcement dated 18 September 2012.

Continuing Connected Transactions

- (1) On 13 April 2010, the Company entered into the Wellkey framework agreement (“Wellkey Framework Agreement”) with Foshan City Wellkey Electrical Material Co., Ltd. (“Wellkey”, a company controlled by Mr. He Jianfeng who is the son of Mr. He Xiangjian, the controlling shareholder of Midea) which set out the basis for the purchase of raw materials by the Group from Wellkey and the annual caps of transaction amount for the three years ended 31 December 2012. The Wellkey Framework Agreement and the transactions contemplated thereunder were approved by the then independent shareholders of the Company at an extraordinary general meeting of the Company held on 18 May 2010.

關連交易及持續關連交易

於本年度，本集團進行了以下關連交易及持續關連交易(已披露於刊發的公告內)：

關連交易

於二零一二年九月十八日，本公司之全資附屬公司 廣東威靈電機製造有限公司(「廣東威靈」)作為擔保人與美的(本公司控股股東)的附屬公司美的集團財務有限公司(「財務公司」)為受益人訂立擔保協議(「擔保協議」)，為財務公司向山西華翔集團有限公司(「山西華翔」)，分別由廣東威靈擁有49%權益及山西臨汾華翔實業有限公司(「華翔」，獨立第三方)擁有51%權益)借出的人民幣100,000,000元一年期貸款(「貸款融資」)提供還款擔保。為全面擔保山西華翔按貸款融資應負的還款責任，山西華翔的另一股東華翔已按類似擔保協議的條款於同日就貸款融資訂立另一份擔保協議。廣東威靈按擔保協議提供的擔保構成本公司一項關連交易，根據上市規則第14A章，須遵守申報及公告規定，但獲豁免遵守獨立股東批准規定。擔保協議詳情已於二零一二年九月十八日的本公司公告中披露。

持續關連交易

- (1) 於二零一零年四月十三日，本公司與佛山市威奇電工材料有限公司(「威奇」，一家由美的控股股東何享健先生之子何劍鋒先生控制的公司)訂立威奇框架協議(「威奇框架協議」)，該協議載列本集團向威奇採購原材料的基準及訂定截至二零一二年十二月三十一日止三個年度之年度交易額上限。本公司當時的獨立股東已於本公司在二零一零年五月十八日舉行的股東特別大會上批准威奇框架協議及其項下擬進行之交易。

(2) On 15 April 2011, the Company and Midea entered into a new Midea framework agreement (“New Midea Framework Agreement”) to renew the previous Midea framework agreement dated 13 April 2010 for a term of three years ending 31 December 2013 and set the revised and new annual caps in respect of (i) the sale of motors and electronic and electrical components for electrical household appliances and raw materials by the Group to Midea Group; and (ii) the purchase of raw materials and processed raw materials and motor samples by the Group from Midea Group (together the “Sales and Purchases CCTs”) for three years ending 31 December 2013. The New Midea Framework Agreement and the transactions contemplated thereunder (including the revised and new annual caps of the Sales and Purchases CCTs) were approved by the then independent shareholders of the Company at an extraordinary general meeting of the Company held on 26 May 2011.

(3) On 19 April 2012, GD Welling entered into the financial services framework (renewal) agreement (“Financial Services Framework (Renewal) Agreement”) with the Finance Company to (i) revise the annual caps for the year ended 31 December 2012 in respect of the core financial services (including deposit, loan, bills discounting, bills acceptance, guarantee and foreign exchange services) provided under the previous financial services framework agreement dated 13 April 2010 (“Financial Services Framework Agreement”); and (ii) extend the term of the Financial Services Framework Agreement for two more years to 31 December 2014 and set the new annual caps of the aforesaid core financial services for the two years ending 31 December 2014 in order to fulfill its business requirements. Details of the transactions are disclosed in the Company’s announcement dated 19 April 2012 and circular dated 11 May 2012.

The Financial Services Framework (Renewal) Agreement and the transactions contemplated thereunder (including the revised and new annual caps of the aforesaid core financial services) were approved by the then independent shareholders of the Company at the extraordinary general meeting of the Company held on 31 May 2012.

The Finance Company was granted approval to commence the loan business in March 2012 and the foreign exchange business in June 2012 and has commenced these business activities during the Year.

(2) 於二零一一年四月十五日，本公司與美的訂立新美的框架協議（「新美的框架協議」），以重續訂立日期為二零一零年四月十三日的先前美的框架協議，為期三年至二零一三年十二月三十一日為止，並就(i)本集團向美的集團銷售家電電機及電子電器產品以及原材料；及(ii)本集團向美的集團採購原材料及經加工原材料以及電機樣本（統稱「買賣持續關連交易」）制定截至二零一三年十二月三十一日止三個年度的經修訂及新訂年度上限。新美的框架協議及其項下擬進行之交易（包括買賣持續關連交易的經修訂及新訂年度上限）已於本公司在二零一一年五月二十六日舉行的股東特別大會上獲本公司當時的獨立股東批准。

(3) 於二零一二年四月十九日，廣東威靈與財務公司訂立財務服務框架（重續）協議，以(i)修訂按訂立日期為二零一零年四月十三日的先前財務服務框架協議（「財務服務框架協議」）提供的核心財務服務（包括存款、貸款、票據貼現、票據承兌、擔保及外匯服務）所設定截至二零一二年十二月三十一日止年度之年度上限；及(ii)將財務服務框架協議的年期延長兩年，至二零一四年十二月三十一日，並為上述核心財務服務設定截至二零一四年十二月三十一日止兩個年度之新年度上限，以滿足其業務需要。有關交易的詳情已於本公司於二零一二年四月十九日的公告及二零一二年五月十一日的通函中披露。

財務服務框架（重續）協議及其項下擬進行之交易（包括上述核心財務服務的經修訂及新訂年度上限）已於本公司在二零一二年五月三十一日舉行的股東特別大會上獲本公司當時的獨立股東批准。

財務公司於二零一二年三月獲批准開展貸款業務，及於二零一二年六月獲批准開展外匯服務，並已於本年度開展該等業務。

On 23 January 2013, the Company, GD Welling and the Finance Company entered into a supplemental agreement (“Supplemental Agreement”) to amend the terms of the Financial Services Framework (Renewal) Agreement by adding the subsidiaries of the Company incorporated in the PRC (other than those subsidiaries of the Company held by GD Welling) as additional users to use the financial services to be provided by the Finance Company under the Financial Services Framework (Renewal) Agreement. Details of the Supplemental Agreement are disclosed in the Company’s announcement published on 23 January 2013.

- (4) On 11 January 2013, the Company and Annto Logistics Co., Ltd. (formerly known as “Wuhu Annto Logistics Co., Ltd.”) (“Annto”, a subsidiary of Midea) entered into the new logistic service agreement (“New Logistic Service Agreement”) to (i) further renew the previous logistic service agreement dated 13 April 2010 which had expired on 31 December 2012 in order to continue the use of logistic services to be provided by Annto and/or its subsidiaries to the Group for a three-year term; and (ii) set out the new annual caps of logistic service fees payable for the three years ending 31 December 2015. The New Logistic Service Agreement and the transactions contemplated thereunder were exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules. Details are disclosed in the Company’s announcement dated 11 January 2013.

No logistic service fees were paid by the Group to Annto during the year ended 31 December 2012.

於二零一三年一月二十三日，本公司、廣東威靈及財務公司簽訂補充協議（「補充協議」），以修訂財務服務框架（重續）協議條款，加入（除由廣東威靈持有本公司的附屬公司外）本公司於中國註冊成立的附屬公司作為使用方，讓其可使用財務公司按財務服務框架（重續）協議提供的財務服務。有關補充協議的詳情已於本公司於二零一三年一月二十三日刊發的公告中披露。

- (4) 於二零一三年一月十一日，本公司與安得物流股份有限公司（前稱蕪湖安得物流股份有限公司）（「安得」，美的的附屬公司）訂立新物流服務協議（「新物流服務協議」），以 (i) 再重續訂立日期為二零一零年四月十三日的先前物流服務協議（已於二零一二年十二月三十一日屆滿），以繼續使用由安得及／或其附屬公司提供的物流服務，為期三年；及(ii) 設定截至二零一五年十二月三十一日止三個年度的應付物流服務費的新年度上限。根據上市規則第14A章，新物流服務協議及其項下擬進行之交易獲豁免遵守獨立股東批准的規定。有關詳情已於本公司於二零一三年一月十一日的公告中披露。

於截至二零一二年十二月三十一日止年度，本集團並無向安得支付物流服務費。

The following table sets out the transaction amount of each of the aforesaid continuing connected transactions of the Group during the Year and the relevant approved annual caps for 2012:

下表載列上述本集團於本年度各持續關連交易的交易金額及二零一二年已獲批准的有關年度上限：

Transactions		Transaction amount for the year ended 31 December 2012 截至二零一二年 十二月三十一日 止年度的交易金額 (RMB'000) (人民幣千元)	Annual caps for 2012 二零一二年年度上限 (RMB'000) (人民幣千元)
Sale of motors and electronic and electric components for electrical household appliances and raw materials to Midea Group	向美的集團銷售家電電機及電子電器產品及原材料	2,094,439	8,487,000
Purchase of raw materials and processed raw materials and motors samples from Midea Group	向美的集團採購原材料及經加工原材料及電機樣本	186,181	500,000
Purchase of raw materials from Wellkey	向威奇採購原材料	2,487	338,000
Financial services provided by the Finance Company	財務公司提供的財務服務		
— Deposit (daily maximum outstanding balance including accrued interest and handling fees)	— 存款(包括應計利息及手續費的每日最高結餘)	352,792	1,172,000
— Loan (daily maximum outstanding balance including accrued interest and handling fees)	— 貸款(包括應計利息及手續費的每日最高結餘)	191,215	853,000
— Bills discounting (face value of the bills discounted)	— 票據貼現(經貼現的票據面值)	152,977	2,308,000
— Bills acceptance (face value of the bills accepted)	— 票據承兌(經承兌的票據面值)	488,650	2,795,000
— Guarantee	— 擔保	—	1,500,000
— Foreign exchange	— 外匯	—	1,353,000

Details of the significant related party transactions entered into by certain members of the Group during the year ended 31 December 2012 pursuant to the agreements mentioned above, which constituted connected transactions under Chapter 14A of the Listing Rules, are disclosed in Note 35 to the consolidated financial statements.

The independent non-executive Directors have reviewed the continuing connected transactions of the Group during the Year and confirmed that the continuing connected transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms; and
- (3) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Board of Directors engaged PricewaterhouseCoopers, the auditor of the Company, to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing their findings and conclusions in respect of the continuing connected transactions of the Group disclosed above in accordance with Rule 14A.38 of the Listing Rules. The auditor has confirmed to the Company that nothing has come to their attention that causes them to believe the continuing connected transactions of the Group for the year ended 31 December 2012 as disclosed above:

- (1) have not received the approval of the Board of Directors of the Company;
- (2) were not, in all material respects, in accordance with the pricing policy of the Company;
- (3) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) have exceeded the amounts of annual caps as disclosed in the previous announcements made by the Company on 13 April 2010, 15 April 2011 and 19 April 2012 in respect of each of the disclosed continuing connected transactions.

本集團若干成員公司根據上述協議於截至二零一二年十二月三十一日止年度訂立之重大關聯方交易(該等交易根據上市規則第14A章構成關連交易)詳情，於綜合財務報表附註35披露。

獨立非執行董事已審閱本集團於本年度之持續關連交易，並確認該等持續關連交易：

- (1) 於本集團日常及正常業務過程中訂立；
- (2) 乃按一般商業條款；及
- (3) 按照規管該等交易之相關協議進行，其條款乃公平及合理，且符合本公司股東的整體利益。

董事會聘請本公司核數師羅兵咸永道會計師事務所根據香港會計師公會發出的香港鑑證業務準則第3000號「歷史財務資料審核或審閱以外的鑑證工作」，及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，以匯報本集團的持續關連交易。核數師已根據上市規則第14A.38條發出具無保留意見函件，函件載有對本集團已披露的持續關連交易的發現和總結。核數師向本公司確認其並無發現任何事實使其相信上文披露本集團截至二零一二年十二月三十一日止年度的持續關連交易：

- (1) 未獲本公司董事會批准；
- (2) 在所有重大方面並未有按照本公司的定價政策進行；
- (3) 在所有重大方面並未有按照規管該等交易的相關協定進行；及
- (4) 超出本公司於二零一零年四月十三日、二零一一年四月十五日及二零一二年四月十九日就該等已披露的持續關連交易先期公告之年度上限總額。

A copy of the auditor's letter on continuing connected transactions of the Group for the year ended 31 December 2012 has been provided by the Company to the Stock Exchange. The Company confirmed that it has complied with the disclosure requirements with respect to the above-mentioned continuing connected transactions of the Group in accordance with Chapter 14A of the Listing Rules.

Disclosure Pursuant to Rule 13.22 of the Listing Rules

As at 31 December 2012, the aggregate amount of guarantees given for the loan facilities granted to the associates by the Group amounted to HK\$719,571,000 which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules. A pro-forma combined statement of financial position of the associates, in which the Group has a 49% equity interest, as at 31 December 2012 is presented below:

本公司已將本集團截至二零一二年十二月三十一日止年度持續關連交易有關的核數師函件副本送呈聯交所。本公司確認已就上文所述之本集團持續關連交易遵守上市規則第14A章之披露規定。

根據上市規則第13.22條作出披露

於二零一二年十二月三十一日，本集團就聯營公司獲得貸款融資而提供之擔保合共總額為港幣719,571,000元，超過上市規則第14.07(1)條所界定資產比率之8%。於二零一二年十二月三十一日，該由本集團擁有49%股權的聯營公司之備考合併財務狀況表呈列如下：

		Pro-forma combined	
		statement of	Group's attributable
		financial position	interest (49%)
		備考合併財務狀況表	本集團應佔權益(49%)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Non-current assets	非流動資產	779,445	381,928
Current assets	流動資產	864,417	423,564
Current liabilities	流動負債	(797,580)	(390,814)
Non-current liabilities	非流動負債	(291,855)	(143,009)
Net assets	資產淨額	554,427	271,669

Non-Competition Deed

On 22 February 2008, Midea entered into a non-competition deed in favour of the Company ("Non-Competition Deed") to undertake that Midea and other members of Midea Group (except the Group) will not engage in any business of the manufacturing and distribution of motors and electronic and electric components for all electrical household appliances and any business activities carried on or proposed to be carried on by the Group which would directly or indirectly compete with the business of the Group.

不競爭契據

於二零零八年二月二十二日，美的以本公司為受益人訂立不競爭契據（「不競爭契據」），藉此承諾，美的及美的集團之其他成員公司（本集團除外）將不會從事一切家電電機及電子電器產品之製造及分銷業務，以及任何可能直接或間接與本集團業務或擬進行之業務構成競爭之任何業務活動。

In compliance with the requirement of the Non-Competition Deed, Midea has submitted to the Company the annual declaration confirming that Midea and its associates (as defined in the Listing Rules) have complied with all the provisions of the Non-Competition Deed throughout the year ended 31 December 2012 ("Declaration"). The independent non-executive Directors have reviewed the Declaration and are satisfied with the compliance by Midea and its associates with the provisions of the Non-competition Deed and the enforcement of the Non-competition Deed during the year ended 31 December 2012.

Compliance with the Model Code for Securities Transactions by Directors and the Corporate Governance Code

Please refer to the Corporate Governance Report set out on pages 22 to 45 for the compliance with the Model Code for Securities Transactions by Directors and the Corporate Governance Code.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirmed that the Company has maintained, during the Year, sufficient public float as required under the Listing Rules.

Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Group is to be proposed at the forthcoming AGM.

On behalf of the Board
Welling Holding Limited
ZHOU Xiangyang
Chairman

Hong Kong, 11 March 2013

為符合不競爭契據之規定，美的已向本公司提呈年度聲明，確認美的及其聯繫人士(定義見上市規則)已於截至二零一二年十二月三十一日止年度內一直遵守不競爭契據之所有規定(「有關聲明」)。獨立非執行董事已審閱有關聲明，並信納美的及其聯繫人士已於截至二零一二年十二月三十一日止年度內一直遵守不競爭契據之規定，及履行不競爭契據。

遵守董事進行證券交易之標準守則及企業管治守則

有關遵守董事進行證券交易之標準守則及企業管治守則，請參閱載於第22頁至45頁之企業管治報告。

足夠公眾持股量

根據可供本公司公開查閱且其董事亦知悉之資料，董事確認本公司於本年度內一直維持上市規則所規定之足夠公眾持股量。

核數師

羅兵咸永道會計師事務所已審核綜合財務報表，該核數師任滿告退，並符合資格且願意膺聘連任。一項續聘羅兵咸永道會計師事務所為本集團核數師之決議案將於應屆股東週年大會上提呈。

代表董事會
威靈控股有限公司
主席
周向陽

香港，二零一三年三月十一日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

FOR THE YEAR ENDED 31 DECEMBER 2012
截至二零一二年十二月三十一日止年度



Independent Auditor's Report To The Shareholders of Welling Holding Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Welling Holding Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 69 to 187, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The Directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

羅兵咸永道

獨立核數師報告 致威靈控股有限公司股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第69至187頁威靈控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一二年十二月三十一日的綜合和公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見，並按照香港《公司條例》第141條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

FOR THE YEAR ENDED 31 DECEMBER 2012
截至二零一二年十二月三十一日止年度

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 11 March 2013

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一二年十二月三十一日的事務狀況，及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一三年三月十一日

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AS AT 31 DECEMBER 2012
於二零一二年十二月三十一日

		As at 31 December 於十二月三十一日		
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	
	Note 附註			
ASSETS	資產			
Non-current assets	非流動資產			
Leasehold land and land use rights	租賃土地及土地使用權	6	219,722	171,367
Property, plant and equipment	物業、廠房及設備	7	1,242,984	1,137,570
Intangible assets	無形資產	8	77,588	65,017
Investments in associates	聯營公司投資	10	271,669	254,352
Deferred income tax assets	遞延所得稅資產	22	39,567	38,853
Available-for-sale financial assets	可供出售金融資產	11	102,819	97,307
Prepayment for property, plant and equipment	預付物業、廠房及設備款項	13	3,281	11,981
			1,957,630	1,776,447
Current assets	流動資產			
Inventories	存貨	12	703,531	613,051
Trade and other receivables	貿易及其他應收款	13	2,317,144	1,635,114
Due from related companies	應收關聯公司款項	35(b)	880,436	1,070,358
Derivative financial instruments	衍生金融工具	21	14,997	16,792
Pledged bank deposits with maturity period over 3 months	三個月以上到期之 已抵押銀行存款	14	50,007	77,767
Cash and cash equivalents	現金及現金等價物	15	915,308	972,923
			4,881,423	4,386,005
Total assets	總資產		6,839,053	6,162,452
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔股本及儲備			
Share capital	股本	16	1,410,856	1,410,806
Other reserves	其他儲備	17	773,170	700,121
Retained earnings	保留盈利			
— Proposed final dividend	— 建議末期股息	30	135,442	112,865
— Others	— 其他		729,336	272,022
			3,048,804	2,495,814
Non-controlling interests	非控股權益		54,450	56,360
Total equity	權益總額		3,103,254	2,552,174

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AS AT 31 DECEMBER 2012
於二零一二年十二月三十一日

		As at 31 December 於十二月三十一日	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
	Note 附註		
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	18	129,188	94,395
Deferred income tax liabilities	22	94,402	73,549
Deferred government grant	19	22,802	23,282
		246,392	191,226
Current liabilities	流動負債		
Trade and other payables	20	2,976,487	3,012,053
Due to related companies	35(b)	139,614	130,376
Derivative financial instruments	21	8,913	240
Current income tax liabilities		57,679	37,262
Borrowings	18	306,714	239,121
		3,489,407	3,419,052
Total liabilities	總負債	3,735,799	3,610,278
Total equity and liabilities	權益及負債總額	6,839,053	6,162,452
Net current assets	流動資產淨額	1,392,016	966,953
Total assets less current liabilities	總資產減流動負債	3,349,646	2,743,400

The notes on pages 80 to 187 are an integral part of these consolidated financial statements.

於第80至187頁之附註為此綜合財務報表之一部分。

The consolidated financial statements on pages 69 to 187 were approved by the board of directors on 11 March 2013 and were signed on its behalf.

董事會於二零一三年三月十一日批准於第69至187頁之綜合財務報表，並代表董事會簽署。

Director
董事
ZHOU Xiangyang
周向陽

Director
董事
LU Xiaoji
呂曉繼

STATEMENT OF FINANCIAL POSITION

財務狀況表

AS AT 31 DECEMBER 2012
於二零一二年十二月三十一日

		As at 31 December 於十二月三十一日	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
	Note 附註		
ASSETS			
			資產
Non-current assets			非流動資產
Property, plant and equipment	7	16	15
Investments in subsidiaries	9	5,475,618	5,377,520
		5,475,634	5,377,535
Current assets			流動資產
Loan to a subsidiary	9	—	60,143
Trade and other receivables	13	485	485
Dividend receivable		155,000	145,000
Cash and cash equivalents	15	3,097	13,457
		158,582	219,085
Total assets		5,634,216	5,596,620
EQUITY			權益
Capital and reserves attributable to the owners of the Company			本公司擁有人 應佔股本及儲備
Share capital	16	1,410,856	1,410,806
Other reserves	17	4,059,913	4,061,692
Retained earnings			保留盈利
Proposed final dividend	30	135,442	112,865
Others		25,720	8,666
Total equity		5,631,931	5,594,029

STATEMENT OF FINANCIAL POSITION

財務狀況表

AS AT 31 DECEMBER 2012
於二零一二年十二月三十一日

		As at 31 December 於十二月三十一日	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
	Note 附註		
LIABILITIES	負債		
Current liabilities	流動負債		
Trade and other payables	20	2,285	2,591
Total liabilities	總負債	2,285	2,591
Total equity and liabilities	權益及負債總額	5,634,216	5,596,620
Net current assets	流動資產淨額	156,297	216,494
Total assets less current liabilities	總資產減流動負債	5,631,931	5,594,029

The notes on pages 80 to 187 are an integral part of these financial statements.

於第80至187頁之附註為此財務報表之一部分。

The consolidated financial statements on pages 69 to 187 were approved by the Board of Directors on 11 March 2013 and were signed on its behalf.

董事會於二零一三年三月十一日批准於第69至187頁之綜合財務報表，並代表董事會簽署。

Director
董事

ZHOU Xiangyang
周向陽

Director
董事

LU Xiaoji
呂曉繼

CONSOLIDATED INCOME STATEMENT

綜合收益表

FOR THE YEAR ENDED 31 DECEMBER 2012
截至二零一二年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
	Note 附註		
Continuing operations	持續經營業務		
Revenue	收入	7,787,502	10,490,373
Cost of goods sold	銷售貨品成本	(6,563,651)	(9,287,892)
Gross profit	毛利	1,223,851	1,202,481
Other gains — net	其他收益 — 淨額	71,548	14,809
Selling and marketing costs	銷售及市場推廣成本	(164,619)	(140,736)
Administrative expenses	行政開支	(336,435)	(306,078)
Operating profit	經營利潤	794,345	770,476
Finance costs	融資成本	(31,823)	(61,589)
Finance income	融資收入	6,192	10,047
Finance costs — net	融資成本 — 淨額	(25,631)	(51,542)
Share of profit of associates	佔聯營公司利潤	17,322	19,204
Profit before income tax	扣除所得稅前利潤	786,036	738,138
Income tax expense	所得稅開支	(147,670)	(146,130)
Profit for the year from continuing operations	持續經營業務之年度利潤	638,366	592,008
Discontinued operations	已終止經營業務		
Profit from discontinued operations	終止經營業務之利潤	—	12,583
Profit for the year	年度利潤	638,366	604,591
Profit attributable to:	以下人士應佔利潤：		
Owners of the Company	本公司擁有人	640,256	607,563
Non-controlling interests	非控股權益	(1,890)	(2,972)
		638,366	604,591

CONSOLIDATED INCOME STATEMENT

綜合收益表

FOR THE YEAR ENDED 31 DECEMBER 2012
截至二零一二年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
	Note 附註		
Profit attributable to the owners of the Company arises from:	本公司擁有人應佔利潤：		
— Continuing operations	— 來自持續經營業務	640,256	594,980
— Discontinued operations	— 來自終止經營業務	—	12,583
		640,256	607,563
Earnings per share from continuing and discontinued operations attributable to the owners of the Company, expressed in HK cents per share	本公司擁有人應佔持續經營業務及終止經營業務之每股盈利，以每股港仙列示		
Basic earnings per share	每股基本盈利		
From continuing operations	來自持續經營業務	29	22.69
From discontinued operations	來自終止經營業務	29	—
			22.69
			21.56
Diluted earnings per share	每股攤薄盈利		
From continuing operations	來自持續經營業務	29	22.57
From discontinued operations	來自終止經營業務	29	—
			22.57
			21.39

Details of proposed final dividend payable to the owners of the Company are set out in note 30.

應付本公司擁有人建議末期股息之詳情載於附註30。

The notes on pages 80 to 187 are an integral part of these consolidated financial statements.

於第80至187頁之附註為此綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2012
截至二零一二年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
	Note 附註		
Profit for the year	年度利潤	638,366	604,591
Other comprehensive income:	其他全面收益：		
Currency translation differences	貨幣匯兌差異	1,121	104,738
Change in value of available-for-sale financial assets	可供出售金融資產 價值變動	5,518	4,694
	11		
Other comprehensive income for the year	年度其他全面收益	6,639	109,432
Total comprehensive income for the year	年度全面收益總額	645,005	714,023
Total comprehensive income for the year attributable to:	以下人士應佔年度 全面收益總額：		
Owners of the Company	本公司擁有人	646,915	716,716
Non-controlling interests	非控股權益	(1,910)	(2,693)
		645,005	714,023
Total comprehensive income attributable to the owners of the Company arises from:	本公司擁有人 應佔全面 收益總額：		
Continuing operations	來自持續經營業務	646,915	704,133
Discontinued operations	來自終止經營業務	—	12,583
		646,915	716,716

The notes on pages 80 to 187 are an integral part of these consolidated financial statements.

於第80至187頁之附註為此綜合財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2012
截至二零一二年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔					
		Share capital	Other reserves	Retained earnings/ (accumulated losses)	Total	Non- controlling interests	Total equity
		股本	其他儲備	保留盈利/ (累計虧損)	合計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Balance at 1 January 2011	於二零一一年 一月一日之結餘	1,409,056	583,999	(72,055)	1,921,000	54,304	1,975,304
Comprehensive income:	全面收益：						
Profit for the year	年度利潤	—	—	607,563	607,563	(2,972)	604,591
Other comprehensive income:	其他全面收益：						
Available-for-sale financial assets	可供出售金融資產	—	4,694	—	4,694	—	4,694
Currency translation differences	貨幣匯兌差異	—	104,459	—	104,459	279	104,738
Total comprehensive income	全面收益總額	—	109,153	607,563	716,716	(2,693)	714,023
Transaction with owners:	與擁有人進行的交易：						
Transfer to statutory reserves	轉撥至法定儲備	—	37,896	(37,896)	—	—	—
Employee share option scheme	僱員購股權計劃						
— value of services provided	— 所提供服務之價值	—	3,136	—	3,136	—	3,136
— options lapsed	— 已失效的購股權	—	(637)	—	(637)	—	(637)
— proceeds from shares issued	— 發行股份所得款項	1,750	998	—	2,748	—	2,748
— share issuance expenses	— 股份發行開支	—	(34)	—	(34)	—	(34)
Consideration paid for merger of a subsidiary under common control	合併共同控制下之附屬公司已付代價	—	(88,694)	—	(88,694)	—	(88,694)
Deemed contribution from ultimate holding company arising from its acquisition of non-controlling interests	最終控股公司收購非控股權益所產生的視作貢獻	—	54,304	—	54,304	(54,304)	—
Non-controlling interest arising on business combination	業務合併產生非控股權益	—	—	—	—	59,053	59,053
Dividend relating to 2010	二零一零年度股息	—	—	(112,725)	(112,725)	—	(112,725)
Total transaction with owners	與擁有人進行之交易總額	1,750	6,969	(150,621)	(141,902)	4,749	(137,153)
Balance at 31 December 2011	於二零一一年十二月 三十一日之結餘	1,410,806	700,121	384,887	2,495,814	56,360	2,552,174

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2012
截至二零一二年十二月三十一日止年度

		Attributable to the owners of the Company 本公司擁有人應佔					
		Share capital 股本 HK\$'000 港幣千元	Other reserves 其他儲備 HK\$'000 港幣千元	Retained earnings 保留盈利 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元	Non-controlling interests 非控股權益 HK\$'000 港幣千元	Total equity 權益總額 HK\$'000 港幣千元
Balance at 1 January 2012	於二零一二年一月一日之結餘	1,410,806	700,121	384,887	2,495,814	56,360	2,552,174
Comprehensive income:	全面收益：						
Profit for the year	年度利潤	—	—	640,256	640,256	(1,890)	638,366
Other comprehensive income:	其他全面收益：						
Available-for-sale financial assets	可供出售金融資產	—	5,518	—	5,518	—	5,518
Currency translation differences	貨幣匯兌差異	—	1,141	—	1,141	(20)	1,121
Total comprehensive income	全面收益總額	—	6,659	640,256	646,915	(1,910)	645,005
Transaction with owners:	與擁有人進行的交易：						
Contribution by owners relating to share-based payment (Note 17(b))	有關擁有人以股份為基礎支付的貢獻 (附註17(b))	—	19,423	—	19,423	—	19,423
Transfer to statutory reserves	轉撥至法定儲備	—	47,500	(47,500)	—	—	—
Employee share option scheme	僱員購股權計劃						
— value of services provided	— 所提供服務之價值	—	959	—	959	—	959
— option lapsed	— 已失效的購股權	—	(1,514)	—	(1,514)	—	(1,514)
— proceeds from shares issued	— 股份發行所得款項	50	25	—	75	—	75
— share issuance expenses	— 股份發行開支	—	(3)	—	(3)	—	(3)
Dividend relating to 2011	二零一一年度股息	—	—	(112,865)	(112,865)	—	(112,865)
Total transaction with owners	與擁有人進行之交易總額	50	66,390	(160,365)	(93,925)	—	(93,925)
Balance at 31 December 2012	於二零一二年十二月三十一日之結餘	1,410,856	773,170	864,778	3,048,804	54,450	3,103,254

The notes on pages 80 to 187 are an integral part of these consolidated financial statements. 於第80至187頁之附註為此綜合財務資料之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2012
截至二零一二年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
	Note 附註		
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	31(a)	348,404	882,084
Interest paid		(15,046)	(49,370)
Interest received		6,192	10,181
Income tax paid		(107,192)	(159,789)
Net cash generated from operating activities		232,358	683,106
Cash flows from investing activities	投資活動之現金流量		
Purchases of property, plant and equipment	7	(278,337)	(378,894)
Decrease in prepayment for property, plant and equipment	13	8,700	6,354
Proceeds from sale of property, plant and equipment	31(b)	31,030	57,720
Proceeds from disposals of property, plant and equipment for discontinued operations		—	27,180
Purchases of leasehold land and land use rights	6	(52,779)	(31,609)
Development cost	8	(15,629)	(5,608)
Proceed from deferred government grant	19	—	23,757
Consideration paid for merger of a subsidiary under common control		—	(88,694)
Acquisition of a subsidiary		—	20,564
Increase in available-for-sale financial assets	11	—	(60,394)
Net cash used in investing activities		(307,015)	(429,624)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2012
截至二零一二年十二月三十一日止年度

		Year ended 31 December 截至十二月三十一日止年度	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
	Note 附註		
Cash flows from financing activities	融資活動之現金流量		
Proceeds from borrowings	借款之所得款項	836,198	401,735
Repayments of borrowings	償還借款	(733,927)	(448,343)
Decrease in pledged bank deposits with maturity period over 3 months	三個月以上到期之 已抵押銀行存款減少	27,760	40,233
Dividends paid	已付股息	(112,865)	(112,725)
Proceeds from issuance of ordinary shares	發行普通股所得款項	75	2,748
Shares issuance expenses	發行股份開支	(3)	(34)
Net cash generated from/(used in) financing activities	融資活動產生/(所用) 之現金淨額	17,238	(116,386)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少) /增加淨額	(57,419)	137,096
Cash and cash equivalents at the beginning of the year	年初之現金及現金等價物	972,923	805,079
Effect on exchange difference	匯兌差異影響	(196)	30,748
Cash and cash equivalents at end of the year	年終之現金及現金 等價物	915,308	972,923
	15		

The notes on pages 80 to 187 are an integral part of these consolidated financial statements.

於第80至187頁之附註為此綜合財務報表之一部分。

1 General Information

Welling Holding Limited (the “Company”) and its subsidiaries (together the “Group”) manufacture, distribute and sell motors and electronic and electric components for electrical household appliances in the People’s Republic of China (the “PRC”) and overseas.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is at Suite 3904, 39/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

These financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 11 March 2013.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and derivative financial instruments, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

1 一般資料

威靈控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)在中華人民共和國(「中國」)及海外製造、分銷及出售家用電器之電機及電子電器產品。

本公司為於香港註冊成立之有限責任公司，註冊辦事處地址為香港九龍尖沙咀廣東道9號海港城港威大廈第6座39樓3904室。

本公司股份於香港聯合交易所有限公司主板上市。

除另有指明外，該等綜合財務報表以港幣呈列。該等綜合財務報表已於二零一三年三月十一日獲董事會批准刊發。

2 主要會計政策概要

編製該等綜合財務報表所應用之主要會計政策載列如下。除另有註明外，該等政策於所有呈列之年度中均已貫徹應用。

2.1 編製基準

本集團之綜合財務報表根據香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表乃按歷史成本法編製，並就重估按公允價值列賬的可供出售金融資產及衍生金融工具作出修訂。

編製符合香港財務報告準則之綜合財務報表需要使用若干關鍵會計估計。管理層在運用本集團會計政策過程中亦須行使判斷。涉及很大程度之判斷或複雜性之範圍，或對綜合財務報表有重大影響之假設及估計之範圍乃於附註4披露。

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures

(a) *New and amended standards adopted by the Group*

The following standards, amendments and interpretations are mandatory for the first time for the financial period beginning 1 January 2012.

Amendment to HKFRS 7, 'Disclosures — Transfers of financial assets' is effective for annual periods beginning on or after 1 July 2011. It promotes transparency in the reporting of transfer transactions and improves users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The change in accounting policy do not have any material financial impact on the Group as the Group does not have any such transfers of financial assets during the period.

Amendment to HKFRS 1, 'Severe hyperinflation and removal of fixed dates for first-time adopters' is effective for annual periods beginning on or after 1 July 2011. It includes two changes to HKFRS 1, 'First-time adoption of HKFRS'. The first replaces references to a fixed date of 1 January 2004 with 'the date of transition to HKFRSs', thus eliminating the need for entities adopting HKFRSs for the first time to restate derecognition transactions that occurred before the date of transition to HKFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with HKFRSs after a period when the entity was unable to comply with HKFRSs because its functional currency was subject to severe hyperinflation. The changes in accounting policy do not have any material financial impact on the Group as the Group does not have any operations under hyperinflation.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露之變動

(a) *本集團採納的新訂及經修訂準則*

以下準則、修訂及詮釋必須在二零一二年一月一日開始之財務年度首次採納。

香港財務報告準則第7號之修訂本「披露 — 金融資產的轉讓」於二零一一年七月一日或之後開始的年度期間起生效。該修訂本提高轉讓交易申報的透明度，並增進使用者對金融資產轉讓有關的風險及該等風險對實體財務狀況影響之理解(尤其是涉及金融資產證券化的風險)。由於本集團於期內並無進行任何該等金融資產轉讓，故上述會計政策的變動並無對本集團構成任何重大財務影響。

香港財務報告準則第1號之修訂本「嚴重惡性通脹及首次採納者取消固定日期」於二零一一年七月一日或之後開始的年度期間起生效。該修訂本載有對香港財務報告準則第1號「首次採納香港財務報告準則」之兩項更改。第一項將對固定日期二零零四年一月一日之提述以「過渡至香港財務報告準則之日」取代之，從而消除首次採納香港財務報告準則的實體需對於過渡至香港財務報告準則之日前發生之終止確認交易重新列賬。第二項修訂規定關於實體在因其功能貨幣發生嚴重惡性通脹而未能遵守香港財務報告準則之期間後重新依照香港財務報告準則呈列財務報表之方法之指引。由於本集團並無任何在惡性通脹下進行的營運，故上述會計政策的變動並無對本集團構成任何重大財務影響。

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(a) *New and amended standards adopted by the Group
(Continued)*

Amendment to HKAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

Amendment to HKAS 12, 'Deferred tax: Recovery of underlying assets' HKAS 12, 'Income taxes' is effective for annual periods beginning on or after 1 January 2012. This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. This is not currently applicable to the Group as the Group's does not have any recovery of underlying assets. The changes in accounting policy do not have material impact on the Group.

(b) *The following new standards have been issued but are not effective for the financial year beginning 1 January 2012, and have not been early adopted by the Group.*

- Amendment to HKFRS 1, 'First-time adoption of Hong Kong Financial Reporting Standards' — government loans (effective for annual periods beginning on or after 1 January 2013)
- Amendment to HKFRS 7, 'Financial instruments: Disclosures — Offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2013)

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露之變動(續)

(a) *本集團採納的新訂及經修訂準則
(續)*

香港會計準則第1號之修訂本「財務報表的呈報」有關其他綜合收益。此修改的主要變動為規定主體將在「其他綜合收益」中呈報的項目，按此等項目其後是否有機會重新分類至損益(重新分類調整)而組合起來。此修改並無針對哪些項目是在其他綜合收益中呈報。

香港會計準則第12號之修訂本「遞延稅項：收回相關資產」及香港會計準則第12號「所得稅」於二零一二年一月一日或之後開始的年度期間起生效。該修訂因此對因按公允值計量的投資物業而產生的遞延稅項資產或負債的現有計量原則引入例外情況。由於本集團並無任何相關資產的收回，故此修訂現時並不適用於本集團。上述會計政策的變動對本集團並無構成重大影響。

(b) *以下為已頒佈但於二零一二年一月一日開始的財政年度尚未生效且本集團並無提前採納的新訂準則。*

- 香港財務報告準則第1號之修訂本「首次採納香港財務報告準則」— 政府貸款(於二零一三年一月一日或之後開始的年度期間起生效)
- 香港財務報告準則第7號之修訂本「金融工具：披露 — 抵銷金融資產及金融負債」(於二零一三年一月一日或之後開始的年度期間起生效)

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) The following new standards have been issued but are not effective for the financial year beginning 1 January 2012, and have not been early adopted by the Group. (Continued)

- Annual improvements 2011 (effective for annual periods beginning on or after 1 January 2013)
- Amendment to HKAS 32, 'Financial instruments: Presentation — Offsetting financial assets and financial liabilities' (effective for annual periods beginning on or after 1 January 2014)
- HKFRS 9, 'Financial instruments' (effective for annual periods beginning on or after 1 January 2015)
- HKFRS 10, "Consolidated financial statements" (effective for annual periods beginning on or after 1 January 2013)
- HKFRS 11, "Joint arrangements" (effective for annual periods beginning on or after 1 January 2013)
- HKFRS 12, "Disclosure of interests in other entities" (effective for annual periods beginning on or after 1 January 2013)

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露之變動(續)

(b) 以下為已頒佈但於二零一二年一月一日開始的財政年度尚未生效且本集團並無提前採納的新訂準則。(續)

- 二零一一年年度改進(於二零一三年一月一日或之後開始的年度期間起生效)
- 香港會計準則第32號之修訂本「金融工具：呈報 — 抵銷金融資產及金融負債」(於二零一四年一月一日或之後開始的年度期間起生效)
- 香港財務報告準則第9號「金融工具」(於二零一五年一月一日或之後開始的年度期間起生效)
- 香港財務報告準則第10號「綜合財務報表」(於二零一三年一月一日或之後開始的年度期間起生效)
- 香港財務報告準則第11號「合營安排」(於二零一三年一月一日或之後開始的年度期間起生效)
- 香港財務報告準則第12號「於其他實體權益之披露」(於二零一三年一月一日或之後開始的年度期間起生效)

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) The following new standards have been issued but are not effective for the financial year beginning 1 January 2012, and have not been early adopted by the Group. (Continued)

- Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — Transition guidance (effective for annual periods beginning on or after 1 January 2013)
- HKFRS 13, “Fair value measurements” (effective for annual periods beginning on or after 1 January 2013)
- Amendment to HKAS 19, “Employee benefits” (effective for annual periods beginning on or after 1 January 2013)
- HKAS 27 (revised 2011), “Separate financial statements” (effective for annual periods beginning on or after 1 January 2013)
- HKAS 28, (revised 2011) “Associates and joint ventures” (effective for annual periods beginning on or after 1 January 2013)

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露之變動(續)

(b) 以下為已頒佈但於二零一二年一月一日開始的財政年度尚未生效且本集團並無提前採納的新訂準則。(續)

- 香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂本 — 過渡指引(於二零一三年一月一日或之後開始的年度期間起生效)
- 香港財務報告準則第13號「公允價值計量」(於二零一三年一月一日或之後開始的年度期間起生效)
- 香港會計準則第19號之修訂本「僱員福利」(於二零一三年一月一日或之後開始的年度期間起生效)
- 香港會計準則第27號(二零一一年經修訂)「獨立財務報表」(於二零一三年一月一日或之後開始的年度期間起生效)
- 香港會計準則第28號(二零一一年經修訂)「聯營公司及合營企業」(於二零一三年一月一日或之後開始的年度期間起生效)

2 Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

(b) The following new standards have been issued but are not effective for the financial year beginning 1 January 2012, and have not been early adopted by the Group. (Continued)

- HK(IFRIC) — Int 20, “Stripping costs in the production phase of a surface mine” (effective for annual period beginning on or after 1 January 2013)

Management does not anticipate that the application of the revised standards will result in material impact on the Group’s consolidated financial statement.

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise from circumstances where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露之變動(續)

(b) 以下為已頒佈但於二零一二年一月一日開始的財政年度尚未生效且本集團並無提前採納的新訂準則。(續)

- 香港(國際財務報告詮釋委員會) — 詮釋第20號「露天採礦場生產階段之剝採成本」(於二零一三年一月一日或之後開始的年度期間起生效)

管理層預期應用經修訂準則並不會對本集團綜合財務報表構成重大影響。

2.2 附屬公司

2.2.1 合併賬目

附屬公司指本集團有權管轄其財政及經營政策的所有主體(包括特殊目的主體)，一般附帶超過半數投票權的股權。在評定本集團是否控制另一主體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。如本集團不持有超過50%投票權，但有能力基於實質控制權而管轄財務和經營政策，也會評估是否存在控制權。

實質控制權可來自一主體不持有另一主體超過50%投票權，但能夠基於實質控制權而管轄該實體的財政和營運政策的情況。

附屬公司在控制權轉移至本集團之日全面合併入賬。附屬公司在控制權終止之日起停止合併入賬。

集團內公司之間的交易、結餘及收支予以對銷。來自集團內公司間的利潤和損失(確認於資產)亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

2 Summary of Significant Accounting Policies (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

2 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併賬目(續)

(a) *不導致失去控制權的附屬公司權益變動*

本集團與非控股權益進行有關不導致失去控制權的交易將入賬為權益交易 — 即與所有者以其作為所有者身份進行的交易。所支付所有代價的公允價值與相關應佔所收購附屬公司淨資產賬面值的差額記錄為權益。向非控股權益的處置的盈虧亦記錄在權益中。

2.2.2 獨立財務報表

附屬公司投資按成本扣除減值列賬。附屬公司的業績由本公司按已收及應收股息入賬。

如股息超過宣派股息期內附屬公司的總全面收益，或如在獨立財務報表的投資賬面值超過綜合財務報表中被投資公司淨資產(包括商譽)的賬面值，則必須對附屬公司投資作減值測試。

2.3 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的主體，通常附帶有20%–50%投票權的股權。聯營公司投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營公司的投資包括購買時已辨認的商譽。

2 Summary of Significant Accounting Policies (Continued)

2.3 Associates (Continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of associates' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

2 主要會計政策概要(續)

2.3 聯營公司(續)

如聯營公司的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他全面收益中確認的數額重新分類至損益(如適當)。

本集團應佔聯營公司購買後利潤或虧損於收益表內確認，而應佔其購買後的其他全面收益變動則於其他全面收益內確認，並相應調整投資賬面值。如本集團應佔一家聯營公司的虧損等於或超過其在該聯營公司的權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團計算減值，數額為聯營公司可收回數額與其賬面值的差額，並在收益表中確認於「佔聯營公司利潤」旁。

本集團與其聯營公司之間的上游和下游交易的利潤和虧損，在集團的財務報表中確認，但僅限於無關連投資者在聯營公司權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在聯營公司投資中所產生的稀釋利得和損失於收益表確認。

2 Summary of Significant Accounting Policies (Continued)

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar ("HK\$"), which is different from the Company's functional currency of Renminbi ("RMB"), in view of the shares of the Company listed on the Hong Kong Stock Exchange.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other gains — net'.

2 主要會計政策概要(續)

2.4 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者被認為作出策略性決定的董事會負責分配資源和評估經營分部的表現。

2.5 外幣折算

(a) 功能和列報貨幣

本集團每個主體的財務報表所列項目均以該主體經營所在的主要經濟環境的貨幣計量(「功能貨幣」)。鑒於本公司股份於香港聯交所上市，綜合財務報表以港幣列報，有別於本公司的功能貨幣人民幣。

(b) 交易及結餘

外幣交易採用交易或項目重新計量的估值日期的匯率換算為功能貨幣。除了符合在權益中遞延入賬的現金流量套期和淨投資套期外，結算此等交易產生的匯兌利得和損失以及將外幣計值的貨幣資產和負債以年終匯率折算產生的匯兌利得和損失在收益表確認。

與借款和現金及現金等價物有關的匯兌利得和損失在收益表內的「融資收入或成本」中列報。所有其他匯兌利得和損失在收益表內的「其他收益 — 淨額」中列報。

2 Summary of Significant Accounting Policies (Continued)

2.5 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in the available-for-sale revaluation reserve in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of end of the reporting period;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

2 主要會計政策概要(續)

2.5 外幣折算(續)

(b) 交易及結餘(續)

以外幣為單位及被分類為可供出售的貨幣性證券的公允價值變動，按照證券的攤銷成本變動與該證券賬面值的其他變動所產生的折算差額進行分析。與攤銷成本變動有關的折算差額確認為利潤或虧損，賬面值的其他變動則於其他全面收益中確認。

非貨幣性金融資產及負債(例如以公允價值計量且其變動計入損益的權益)的折算差額列報為公允價值利得和損失的一部份。非貨幣性金融資產及負債(例如分類為可供出售的權益)的折算差額包括在其他全面收益中可供出售重估儲備。

(c) 集團公司

其功能貨幣與本集團的列報貨幣不同的所有集團內的主體(當中沒有惡性通貨膨脹經濟的貨幣)的業績和財務狀況按如下方法換算為列報貨幣：

- (i) 每份列報的財務狀況表內的資產和負債按報告期末的收市匯率換算；
- (ii) 每份收益表內的收益和費用按平均匯率換算(除非此匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算)；及
- (iii) 所有由此產生的匯兌差額在其他全面收益中確認。

2 Summary of Significant Accounting Policies (Continued)

2.5 Foreign currency translation (Continued)

(c) Group companies (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

		Estimated useful lives 估計可使用年期
Buildings	樓宇	10–30 years 年
Furniture and fixtures	家具及裝修	3–5 years 年
Plant and machinery	廠房及機器	10–20 years 年
Motor vehicles	汽車	5–10 years 年
Electronic and other equipment	電子及其他設備	3–5 years 年

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2 主要會計政策概要(續)

2.5 外幣折算(續)

(c) 集團公司(續)

購買境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債，並按期末匯率換算。產生的匯兌差額在全面收益表中入賬。

2.6 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

其後成本僅在與該項目相關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，方會包括在資產之賬面值或確認為獨立資產(如適用)。被更換部分之賬面值將不再確認。所有其他維修及保養均需於產生之財政期間內於收益表扣除。

物業、廠房及設備之折舊採用以下估計可使用年期將成本按直線法分攤至剩餘價值計算：

資產之剩餘價值及可使用年期在每個報告期終進行檢討及在適當時進行調整。

2 Summary of Significant Accounting Policies (Continued)

2.6 Property, plant and equipment (Continued)

Construction-in-progress represents the direct costs of construction incurred and machinery pending to installation plus interest capitalised up to date of completion of the construction of property, plant and equipment less any impairment losses. No provision for depreciation is made on construction-in-progress until such time the relevant assets are completed and put into use. Construction-in-progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains — net' in the consolidated income statement.

2.7 Intangible assets

2.7.1 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

2 主要會計政策概要(續)

2.6 物業、廠房及設備(續)

在建工程乃指興建物業、廠房及設備及有待安裝之機器所引起之直接成本並加上完工日期前之資本化利息減去任何減值虧損。在建工程不予折舊，直至相關資產完成及可供使用為止。在建工程於完成並準備投入使用时重新分類為適當類別之物業、廠房及設備。

若資產之賬面值高於其估計可收回金額，其賬面值會即時撇減至可收回金額(附註2.8)。

出售收益及虧損會透過比較所得款項與賬面值而釐定，並於綜合收益表「其他收益 — 淨額」中確認。

2.7 無形資產

2.7.1 商譽

商譽產生自收購附屬公司、聯營公司和合營企業，並相當於所轉讓代價超過本集團在被收購方的可辨認資產、負債和或有負債淨公允價值權益與非控股權益在被收購方公允價值的數額。

2 Summary of Significant Accounting Policies (Continued)

2.7 Intangible assets (Continued)

2.7.1 Goodwill (Continued)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.7.2 Technology

Technology acquired are initially measured at the purchase costs and amortised on a straight-line basis over their estimated useful lives.

2.7.3 Research and development

(a) Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised as an expense in the period in which it is incurred. Expenditure on development activities (relating to the design and testing of new or improved products) is capitalised under the category of development cost if the product or process is technically and commercially feasible, the Group has sufficient resources and the intention to complete the development, and if the cost can be reliably measured. Upon the commencement of the commercial production of a product, the expenditure on development cost amortised on a straight-line basis over the period of its expected benefit. Research and development costs comprise costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities.

2 主要會計政策概要(續)

2.7 無形資產(續)

2.7.1 商譽(續)

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組(預期可從合併中獲取協同利益)。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。商譽賬面值與可收回數額(使用價值與公允價值減出售成本較高者)比較。任何減值須即時確認為開支及不得在之後期間撥回。

2.7.2 技術

收購的技術最初按購買成本計量，並按估計可使用年期以直線法攤銷。

2.7.3 研究及開發

(a) 從事研究活動以期獲取新的科學或技術知識及認知之有關開支，乃於產生期間確認為開支。倘產品或程序在技術及商業上均具可行性，本集團有充裕之資源及意向完成開發，且成本能可靠計量，有關開發活動(與嶄新或改良產品的設計及測試有關)之開支則撥作資本。為產品展開商業生產後，開發成本的費用按其預期獲益的期間以直線法攤銷。研究及開發成本包括直接歸屬研發活動的成本或可合理分配至各活動的成本。

2 Summary of Significant Accounting Policies (Continued)

2.7 Intangible assets (Continued)

2.7.3 Research and development (Continued)

- (b) Subsequent expenditure on development activities after its completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure is added to the cost of the intangible asset.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of the investments in subsidiaries or associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or associate in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 主要會計政策概要(續)

2.7 無形資產(續)

2.7.3 研究及開發(續)

- (b) 開發活動完成後的後續費用於其產生時確認為開支，除非開支有可能使資產產生的未來經濟利益超出其原本評定表現的標準，以及開支能可靠計量且歸屬特定資產。在符合上述條件下，後續費用會計入無形資產的成本。

2.8 非金融資產的減值

使用壽命不限定的資產 — 例如商譽或未能使用而無需攤銷的無形資產，但每年須就減值進行測試。當有事件出現或情況改變顯示資產賬面值可能無法收回時，該資產會進行減值檢討。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額以資產的公允價值扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時，資產按可分開辨認現金流量(現金產出單元)的最低層次組合。除商譽外，已蒙受減值的非金融資產在每個報告日期均就減值是否可以轉回進行檢討。

倘附屬公司投資或聯營公司投資收取之股息超過附屬公司或聯營公司於股息宣派期間之全面收益總額，或獨立財務報表中之投資賬面值超過被投資公司資產淨值(包括商譽)於綜合財務報表中之賬面值，須對附屬公司或聯營公司之投資進行減值測試。

2 Summary of Significant Accounting Policies (Continued)

2.9 Financial assets

2.9.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (notes 2.14 and 2.15).

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2 主要會計政策概要(續)

2.9 金融資產

2.9.1 分類

本集團將其金融資產分類為以下類別：以公允價值計量且其變動計入損益、貸款及應收款項，以及可供出售。分類視乎購入金融資產之目的。管理層應在初始確認時釐定金融資產的分類。

(a) *以公允價值計量且其變動計入損益的金融資產*

以公允價值計量且其變動計入損益的金融資產指交易性金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為套期，否則亦分類為持作交易性。在此類別的資產假若預期在12個月內結算，分類為流動資產；否則分類為非流動資產。

(b) *貸款及應收款項*

貸款及應收款項為有固定或可確定付款額且沒有在活躍市場上報價的非衍生金融資產。此等項目包括在流動資產內，但預期將於報告期末起計超過12個月結算的數額，則分類為非流動資產。本集團的貸款及應收款項由財務狀況表「貿易及其他應收款」與「現金及現金等價物」組成(附註2.14及2.15)。

(c) *可供出售金融資產*

可供出售金融資產為被指定作此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層有意在報告期末後12個月內處置該投資，否則此等資產列在非流動資產內。

2 Summary of Significant Accounting Policies (Continued)

2.9 Financial assets (Continued)

2.9.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other gains — net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other gains when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other gains. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other gains when the Group's right to receive payments is established.

2 主要會計政策概要(續)

2.9 金融資產(續)

2.9.2 確認和計量

常規購買及出售的金融資產在交易日確認 — 交易日指本集團承諾購買或出售該資產之日。對於非以公允價值計量且其變動並非計入損益的所有金融資產，其投資初始按其公允價值加交易成本確認。以公允價值計量且其變動計入損益的金融資產，初始按公允價值確認，而交易成本則在收益表支銷。當從投資收取現金流量的權利已到期或已轉讓，而本集團已實質上將所有權的所有風險和報酬轉讓時，金融資產即終止確認。可供出售金融資產及以公允價值計量且其變動計入損益的金融資產其後按公允價值列賬。貸款及應收款項其後利用實際利率法按攤銷成本列賬。

來自「以公允價值計量且其變動計入損益的金融資產」類別的公允價值變動所產生的利得和損失，列入產生期間收益表內的「其他收益 — 淨額」中。來自以公允價值計量且其變動計入損益的金融資產的股息收益，當本集團收取有關款項的權利確定時，在收益表內確認為部份其他收益。

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他全面收益中確認。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入收益表內作為「投資證券的利得和損失」。

可供出售證券利用實際利率法計算的利息在收益表內確認為部份其他收益。至於可供出售權益工具的股息，當本集團收取有關款項的權利確定時，在收益表內確認為部份其他收益。

2 Summary of Significant Accounting Policies (Continued)

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.11 Impairment of financial assets

(a) *Assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 主要會計政策概要(續)

2.10 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在財務狀況表報告其淨額。

2.11 金融資產減值

(a) *以攤銷成本列賬的資產*

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某一金融資產組出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關的金融資產或金融資產組才算出現減值及產生減值虧損。

減值虧損的證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

2 Summary of Significant Accounting Policies (Continued)

2.11 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2 主要會計政策概要(續)

2.11 金融資產減值(續)

(a) 以攤銷成本列賬的資產(續)

對於貸款及應收款項類別，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在綜合收益表確認。如貸款或持有至到期投資有浮動利率，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，集團可利用可觀察的市場價格，按工具的公允價值計量減值。

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在綜合收益表轉回。

2 Summary of Significant Accounting Policies (Continued)

2.11 Impairment of financial assets (Continued)

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2.12 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of these derivative instruments are recognised immediately in the consolidated income statement within 'other gains — net'.

2 主要會計政策概要(續)

2.11 金融資產減值(續)

(b) 可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。對於債券，本集團利用上文(a)的標準。至於分類為可供出售的權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若可供出售金融資產存在此等證據，累計虧損 — 按購買成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算 — 自權益中剔除並在損益中記賬。在綜合收益表確認的權益工具的減值虧損不會透過綜合收益表轉回。如在較後期間，被分類為債務工具的公允價值增加，而增加可客觀地與減值虧損在損益確認後發生的事件有關，則將減值虧損在綜合收益表轉回。

2.12 衍生金融工具

衍生工具初步按衍生工具合約訂立日之公允價值確認，其後按公允值重新計量。該等衍生工具之公允值變動，即時於綜合收益表中「其他收益 — 淨額」內確認。

2 Summary of Significant Accounting Policies (Continued)

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 主要會計政策概要(續)

2.13 存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本利用加權平均法釐定。製成品及在產品的成本包括設計成本、原材料、直接勞工、其他直接費用和相關的間接生產費用(依據正常經營能力)。這不包括借款費用。可變現淨值為在日常經營活動中的估計銷售價，減適用的變動銷售費用。

2.14 貿易及其他應收款

貿易應收款為在日常經營活動中就商品銷售而應收客戶的款項。如貿易及其他應收款的收回預期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動資產；否則分類為非流動資產。

貿易及其他應收款以公允價值為初始確認，其後利用實際利率法按攤銷成本扣除減值準備計量。

2.15 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、原到期為三個月或以下的其他短期高流動性投資。

2.16 股本

普通股被分類為權益。

直接歸屬於發行新股或期權的新增成本在權益中列為所得款的減少(扣除稅項)。

2 Summary of Significant Accounting Policies (Continued)

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 Borrowings Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 主要會計政策概要(續)

2.17 貿易應付款

貿易應付款為在日常經營活動中購買商品或服務而應支付的債務。如貿易應付款的支付日期在一年或以內(如仍在正常經營週期中,則可較長時間),其被分類為流動負債;否則分類為非流動負債。

貿易應付款以公允價值為初始確認,其後利用實際利率法按攤銷成本計量。

2.18 借款

借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬;所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內在收益表確認。

設立貸款融資時支付的費用倘部份或全部融資將會很可能提取,該費用確認為貸款的交易費用。在此情況下,費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將會很可能被提取,則該費用資本化作為流動資金服務的預付款,並按有關的融資期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月,否則借款分類為流動負債。

2.19 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的一般及特及借款成本,加入該等資產的成本內,直至資產大致上備妥其預定用途或銷售為止。

所有其他借款成本在產生期間內的損益中確認。

2 Summary of Significant Accounting Policies (Continued)

2.20 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

(i) Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 主要會計政策概要(續)

2.20 當期及遞延所得稅

本年度的稅項支出包括當期和遞延稅項。稅項在收益表中確認，但與在其他綜合收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收益或直接在權益中確認。

(a) 當期所得稅

當期所得稅支出根據本公司的附屬公司及聯營公司經營及產生應課稅收入的國家於報告期末已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定準備。

(b) 遞延所得稅

(i) 內在差異

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在綜合財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延稅項負債來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產是就很可能有未來應課稅利潤而就就可使用暫時性差異而確認。

2 Summary of Significant Accounting Policies (Continued)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

(ii) Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

(a) Retirement benefits obligation

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee.

The Group's subsidiaries incorporated in the PRC make contributions to a state-sponsored defined contribution scheme for the Group's local staff on a monthly basis pursuant to laws of the PRC and relevant regulations issued by local social security authorities.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

The Group has no further payment obligations once the contributions have been paid.

2 主要會計政策概要(續)

2.20 當期及遞延所得稅(續)

(b) 遞延所得稅(續)

(ii) 外在差異

遞延所得稅就附屬公司和聯營公司投資產生的暫時性差異而準備，惟本集團可以控制暫時性差異的轉回時間，而暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債則除外。

(c) 抵銷

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

2.21 僱員福利

(a) 退休金責任

本集團已安排其香港僱員參加強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受託人管理之既定供款計劃。

按照中國法律及當地社會保障機構頒佈之有關法規，本集團於中國註冊成立之附屬公司須為本集團當地員工向國家資助之既定供款計劃按月供款。

本集團向既定供款退休計劃之供款於供款產生時支銷。

本集團一經繳付供款後再無進一步付款責任。

2 Summary of Significant Accounting Policies (Continued)

2.21 Employee benefits (Continued)

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2.22 Share-based payments

(a) Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);

2 主要會計政策概要(續)

2.21 僱員福利(續)

(b) 辭退福利

辭退福利在本集團於正常退休日期前終止僱用職工，或當職工接受自願遣散以換取此等福利時支付。本集團在能證明以下承諾時確認辭退福利：根據一項詳細的正式計劃終止現有職工的僱用而沒有撤回的可能；或因為提出鼓勵自願遣散而提供的辭退福利以預期接納要約的僱員數目計量。在報告期末後超過12個月支付的福利應折現為現值。

(c) 職工假期權益

職工的年假權益在假期累計至職工時確認。因職工提供服務而產生的年假估計負債，就截至報告期末止作出準備。

職工的病假權益和產假在休假前不作確認。

2.22 以股份為基礎的支付

(a) 以權益結算以股份為基礎的交易

本集團設有多項以權益結算、以股份為基礎的報酬計劃，根據該等計劃，主體收取職工的服務以作為本集團權益工具(期權)的代價。職工為換取獲授予期權而提供服務的公允價值確認為費用。將作為費用的總金額參考授予期權的公允價值釐定：

- 包括任何市場業績條件(例如主體的股價)；

2 Summary of Significant Accounting Policies (Continued)

2.22 Share-based payments (Continued)

(a) Equity-settled share-based payment transactions (Continued)

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2 主要會計政策概要(續)

2.22 以股份為基礎的支付(續)

(a) 以權益結算以股份為基礎的交易 (續)

- 不包括任何服務和非市場業績可行權條件(例如盈利能力、銷售增長目標和職工在某特定時期內留任實體)的影響；及
- 包括任何非可行權條件(例如規定職工儲蓄)的影響。

非市場表現和服務條件包括在有關預期可行權的期權數目的假設中。費用的總金額在等待期間內確認，等待期間指將符合所有特定可行權條件的期間。

此外，在某些情況下，職工可能在授出日期之前提供服務，因此授出日期的公允價值就確認服務開始期與授出日期之間期間內的開支作出估計。

在每個報告期末，本集團依據非市場表現和服務條件修訂其對預期可行權的期權數目的估計。主體在收益表確認對原估算修訂(如有)的影響，並對權益作出相應調整。

在期權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本(面值)和股本溢價。

2 Summary of Significant Accounting Policies (Continued)

2.22 Share-based payments (Continued)

(b) Share-based payment transactions among group entities

The grant by the Company (or the Company's ultimate holding company) of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2.23 Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.24 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries or associates to secure loans, overdrafts and other banking facilities.

2 主要會計政策概要(續)

2.22 以股份為基礎的支付(續)

(b) 集團內以股份為基礎的交易

本公司(或本公司最終控股股東)向集團附屬公司的職工授予其權益工具的期權，被視為資本投入。收取職工服務的公允價值，參考授出日的公允價值計量，並在行權期內確認，作為對附屬公司投資的增加，並相應對母公司賬目的權益貸記。

2.23 撥備

倘本集團因過往事件而有負上法定或推定責任，並且可能須動用資源履行有關責任，而相關金額能可靠估計，則會確認撥備。未來經營虧損不會確認撥備。

倘有多項類似責任時，解除該等責任導致損失之可能性按責任之類別作整體釐定。即使在同一類別責任內任何一項目導致損失之可能性可能會很小，亦需就此確認撥備。

撥備乃按預期需用作清償責任開支以稅前比率計算之現值計量，其反映當時市場對金錢之時間值及該責任之特定風險之評估。因時間之流逝而增加之撥備確認為利息開支。

2.24 融資擔保合同

融資擔保合約為發行人支付特定款項以補償持有人因一名特定債務人於到期時未能根據債務工具之條款支付款項而引起之損失之合約。該等融資擔保是代表附屬公司或聯營公司向銀行、金融機構及其他組織發出，以取得貸款、透支及其他銀行融資。

2 Summary of Significant Accounting Policies (Continued)

2.24 Financial guarantee contracts (Continued)

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Subsequent to initial recognition, the Company's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of fees recognised in accordance with HKAS 18, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. The fee income earned is recognised on a straight-line basis over the life of the guarantee. Any increase in the liability relating to guarantees is reported in the consolidated income statement within other operating expenses.

Where guarantees in relation to loans of the associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Company.

2.25 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2 主要會計政策概要(續)

2.24 融資擔保合同(續)

融資擔保初步按發出擔保當日之公允值在財務報表確認。由於所有擔保均在公平磋商原則下協定，而所協定之溢價價值與所擔保之責任的價值亦相符，因此融資擔保於簽訂時之公允值為零。概不會確認未來溢價之應收款項。經初步確認後，本公司在該等擔保下之負債，乃按初始金額減去根據香港會計準則第18號確認之費用之攤銷與清償有關擔保所需之金額之最佳估計兩者中之較高者計量。該等估計乃根據同類交易經驗及過往虧損歷史，輔以管理層作出的判斷而釐定。所得之費用收入於擔保期內以直線法確認。任何有關擔保之負債增加，一概在綜合收益表內呈列為其他經營開支。

若按無償代價就聯營公司之貸款而作出擔保，有關公允值則作為注資，並在本公司的財務報表內確認為投資成本的一部分。

2.25 收入確認

收入按已收或應收代價的公允價值計量，並相當於供應貨品的應收款項，扣除折扣、退貨和增值稅後列賬。當收入的金額能夠可靠計量；當未來經濟利益很可能流入有關主體；及當本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收入確認。本集團會根據退貨往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

2 Summary of Significant Accounting Policies (Continued)

2.25 Revenue recognition (Continued)

(a) Sales of finished goods and raw materials

Sales of finished goods and raw materials are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(b) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.26 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

2 主要會計政策概要(續)

2.25 收入確認(續)

(a) 製成品及原材料銷售

製成品及原材料銷售於集團實體向客戶交付產品，客戶接收產品且可合理確保可收回相關應收款時確認。

(b) 利息收入

利息收入採用實際利息法確認。倘應收款出現減值，本集團會將賬面值減至其可收回金額（即按工具之原定實際利率貼現之估計未來現金流量），並繼續解除貼現作為利息收入。減值貸款及應收款之利息收入使用原定實際利率確認。

(c) 股息收入

股息收入於收取股息之權利確定時確認。

2.26 經營租賃

凡擁有權之絕大部分風險及回報由出租人保留之租賃，均列作經營租賃。根據經營租賃（扣除出租人給予之任何優惠）作出之付款按租期以直線法於收益表支銷。

2.27 政府補貼

當能夠合理保證將可獲取政府補貼，而本集團符合所有附帶條件時，則會按公允值確認政府提供之補貼。

與成本有關之政府補貼遞延入賬，並於與擬補償之成本配合之所需期間在收益表中確認。

2 Summary of Significant Accounting Policies (Continued)

2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 Financial Risk Management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group exposes to foreign exchange risks as certain portion of its business activities are denominated in foreign currencies, primarily with respect to HK\$, United States dollar ("USD") and Euro ("EUR").

To manage their foreign exchange risks arising from future commercial transactions, entities in the Group enter into forward contracts, transacted with the commercial banks. The directors are of the view that the Group's exposure to foreign exchange risk is manageable.

At 31 December 2012, if HK\$ has weakened/strengthened by 5% against the RMB with all other variables held constant, post-tax profit for the year would have been HK\$1,340,000 (2011: HK\$1,435,000) lower/higher, mainly as a result of foreign exchange gains/losses on translation of HK\$-denominated cash and cash equivalents, other receivables, and other payables.

2 主要會計政策概要(續)

2.28 股息分派

分派予本公司股東之股息在股息獲得本公司股東或董事(如適合)批准之期間內,在本集團及本公司之財務報表中確認為負債。

3 財務風險管理

3.1 財務風險因素

本集團之業務承受多種財務風險:市場風險(包括外匯風險、現金流量及公允值利率風險,以及價格風險)、信貸風險及流動資金風險。本集團之整體風險管理政策集中關注難以預測之金融市場,並致力將對本集團財務表現造成之潛在不利影響減至最低。本集團使用衍生金融工具對沖若干風險。

(a) 市場風險

(i) 外匯風險

由於本集團部分業務活動以外幣(主要是港幣、美元(「美元」)及歐元(「歐元」))列值,故本集團面對外匯風險。

為管理來自未來商業交易之外匯風險,本集團之實體與商業銀行訂立遠期合約。董事認為,本集團面對之外匯風險屬在可控制範圍以內。

於二零一二年十二月三十一日,如港幣兌人民幣轉弱/轉強5%,而所有其他變數均不變,則本年度之業務稅後利潤會減少/增加港幣1,340,000元(二零一一年:港幣1,435,000元),主要由於換算以港幣列值之現金及現金等價物、其他應收款及其他應付款所產生之外匯收益/虧損。

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

At 31 December 2012, if USD has weakened/strengthened by 5% against the RMB with all other variables held constant, post-tax profit for the year would have been HK\$21,598,000 (2011: HK\$13,762,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of USD-denominated cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

At 31 December 2012, if EUR has weakened/strengthened by 5% against the RMB with all other variables held constant, post-tax profit for the year would have been HK\$7,361,000 (2011: HK\$9,194,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of EUR-denominated cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. All the borrowings issued at variable rates expose the Group to cash flow interest rate risk. During 2012 and 2011, the Group's long-term borrowings at variable rate were denominated in USD.

The Company's amounts due from/(to) subsidiaries were issued at fixed rates and interest free respectively, and expose the Company to fair value interest rate risk.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

於二零一二年十二月三十一日，如美元兌人民幣轉弱／轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣21,598,000元(二零一一年：港幣13,762,000元)，主要由於換算以美元列值之現金及現金等價物、貿易及其他應收款、貿易及其他應付款以及借款款項所產生之外匯虧損／收益。

於二零一二年十二月三十一日，如歐元兌人民幣轉弱／轉強5%，而所有其他變數均不變，則本年度之業務稅後利潤會減少／增加港幣7,361,000元(二零一一年：港幣9,194,000元)，主要由於換算以歐元列值之現金及現金等價物、貿易及其他應收款、貿易及其他應付款以及借款款項所產生之外匯虧損／收益。

(ii) 現金流量及公允價值利率風險

由於本集團並無重大計息資產，故本集團之收入及經營現金流量基本上不受市場利率變動影響。

本集團利率風險因長期借款而產生。由於所有借款按浮動利率計息，故此本集團面對現金流量利率風險。於二零一二年及二零一一年期間，本集團浮動利率長期借款以美元計值。

由於本公司應收／(付)附屬公司款項分別以固定利率及免利息計量，故本公司面對公允價值利率風險。

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk (Continued)

The directors are of the view that the interest rate risk is not material as at 31 December 2012.

At 31 December 2012, if interest rates on long-term borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been HK\$20,000 (2011: HK\$31,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(iii) Price risk

The Group exposes to commodity price risk, mainly due to the fluctuations in prices of copper and aluminium, which are key raw materials to the Group's products. The price risk due to copper and aluminium is reduced through the derivatives market, and through certain clause in contracts with our customers to enable the Group to have the flexibility to pass the increases in raw material costs to the customers.

At 31 December 2012, if the copper and aluminium price had been 5% higher/lower with other variables held constant, the pre-tax profit for the year would have been of HK\$11,419,000 (2011: HK\$8,807,000) higher/lower, representing the change in fair value of copper and aluminium derivatives at the end of the reporting period.

The Group is not exposed to equity securities price risk.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量及公允值利率風險(續)

董事認為，於二零一二年十二月三十一日，利率風險並不重大。

於二零一二年十二月三十一日，倘長期借款之利率上升/下跌50個基點，而所有其他變數均不變，則本年度之業務稅後利潤會減少/增加港幣20,000元(二零一一年：港幣31,000元)，主要由於浮息借款之利息開支增加/減少。

(iii) 價格風險

本集團承受商品價格風險，主要由於銅及鋁價格波動。銅及鋁為本集團業務產品之主要原材料。透過衍生市場及與客戶訂立之合約所載之若干條款，可減低銅及鋁所帶來之價格風險，並使本集團具有將原材料成本漲價轉嫁給客戶之靈活性。

於二零一二年十二月三十一日，倘銅及鋁價格上升/下跌5%，而所有其他變數均不變，本年度之業務稅前利潤將增加/減少港幣11,419,000元(二零一一年：港幣8,807,000元)，即銅及鋁衍生產品於報告期間完結時之公允值變動。

本集團並無面臨股本證券價格風險。

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, pledged bank deposits with maturity period over 3 months, derivative financial instruments, due from related parties and trade and other receivables.

For cash and cash equivalent, pledged bank deposits with maturity period over 3 months and derivative financial instruments, management manages the credit risk by transacting with state-owned financial institutions and reputable commercial banks which are all high-credit-quality financial institutions. The maximum exposure to the credit risk before collateral held or other credit enhancements relating to cash and cash equivalent, pledged bank deposits with maturity period over 3 months and derivative financial instruments were their carrying value as disclosed in note 15, note 14 and note 21 respectively as at 31 December 2012 and 2011.

For trade and other receivables and due from related parties, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. Individual credit limits are set based on the assessment of the credit quality. Given the constant repayment history, the directors are of the view that the risk of default by these counterparties is low.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

本集團並無高度集中之信貸風險。信貸風險來自現金及現金等價物、三個月以上到期之已抵押銀行存款、衍生金融工具、應收關聯方款項及貿易及其他應收款。

在現金及現金等價物、三個月以上到期之已抵押銀行存款及衍生金融工具方面，管理層透過與國有金融機構及信譽良好之商業銀行（全部均為獲高信貸評級之金融機構）進行交易來管理信貸風險。信貸風險於持有抵押品前，或與現金及現金等價物、三個月以上到期之已抵押銀行存款及衍生金融工具相關的信貸條件改善前，其最高風險乃於二零一二年及二零一一年十二月三十一日分別披露於附註15、附註14及附註21的賬面值。

在貿易及其他應收款以及應收關聯方款項方面，對方之信貸質素經計及其財務狀況、信貸記錄及其他因素後作出評估。個別信貸限額乃根據信貸質素之評估而設立。鑒於定期還款記錄，董事認為該等對方拖欠還款之風險甚微。

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

For financial guarantees contracts provided for the associates, the Group monitors the credit quality of the associates by taking into account their financial position and business development plan. As at 31 December 2012, the Directors are of the view that the risk of default by the associates is low. The maximum exposure to credit risk is the balance of the borrowings before accounting for collaterals held of other credit enhancements as follows.

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元 Face value 面值	2011 二零一一年 HK\$'000 港幣千元 Face value 面值
Financial guarantee	融資擔保		
— bank loans drawn (note 34)	— 已提取銀行貸款(附註34)	540,141	470,581

(c) Liquidity risk

Liquidity risk management includes maintaining sufficient cash balance, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The table below analyses the Group's non-derivative financial liabilities and net-settled financial derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

有關本集團向聯營公司提供的融資擔保合約，本集團評核彼等的財務狀況及業務發展計劃，以此監管其信貸質素。於二零一二年十二月三十一日，董事認為聯營公司拖欠的風險為低。所面臨的最高信貸風險，即於持有抵押品前或信貸條件改善前之借貸結餘載列如下。

(c) 流動資金風險

流動資金風險管理包括維持充足現金結餘、從可靠之信貸融資獲取足夠資金及規避市場風險之能力。

下表分析本集團於報告期間完結至合約到期日的餘下期間按有關到期組別之非衍生金融負債及淨結算金融衍生財務負債淨額。表中所披露之金額乃合約未貼現現金流量。

3 Financial Risk Management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The Group	本集團	Less than 1 year 一年以下 HK\$'000 港幣千元	Between 1 and 2 years 一年至兩年 HK\$'000 港幣千元	Over 2 years 兩年以上 HK\$'000 港幣千元
At 31 December 2012	於二零一二年十二月三十一日			
Borrowings	借款	310,934	88,192	43,683
Trade and other payables	貿易及其他應付款	2,976,487	—	—
Due to related companies	應付關聯公司款項	139,614	—	—
Derivative financial instruments	衍生金融工具	8,913	—	—
Financial guarantee	融資擔保			
— bank loans drawn	— 已提取銀行貸款	540,141	—	—
At 31 December 2011	於二零一一年十二月三十一日			
Borrowings	借款	247,538	95,821	—
Trade and other payables	貿易及其他應付款	3,012,053	—	—
Due to related companies	應付關聯公司款項	130,376	—	—
Derivative financial instruments	衍生金融工具	240	—	—
Financial guarantee	融資擔保			
— bank loans drawn	— 已提取銀行貸款	470,581	—	—

The Company	本公司	Less than 1 year 一年以下 HK\$'000 港幣千元	Between 1 and 2 years 一年至兩年 HK\$'000 港幣千元	Over 2 years 兩年以上 HK\$'000 港幣千元
At 31 December 2012	於二零一二年十二月三十一日			
Trade and other payables	貿易及其他應付款	2,285	—	—
At 31 December 2011	於二零一一年十二月三十一日			
Trade and other payables	貿易及其他應付款	2,591	—	—

3 Financial Risk Management (Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The Group's strategy for the year ended 31 December 2012 was to maintain a gearing ratio under 75% or had a net cash position. This ratio was calculated as net debt divided by total equity. Net debt is calculated as total borrowings less pledged bank deposits and cash and cash equivalents. As the Group was in a net cash position as at 31 December 2012 and 2011, gearing ratio was not applicable.

3 財務風險管理(續)

3.2 資本管理

本集團之資本管理政策，乃保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他股權持有人之利益，並維持最佳之資本結構以減低資本成本。

為維持或調整資本結構，本集團可能發行新股份或出售資產以減低債務。

與業內其他公司一樣，本集團利用資本負債比率監察其資本。本集團截至二零一二年十二月三十一日止年度的策略為保持資本負債比率低於75%或達至淨現金狀況。此比率按照債項淨額除以權益總額計算。債項淨額為借款總額減去已抵押銀行存款和現金及現金等價物。由於本集團於二零一二年及二零一一年十二月三十一日處於淨現金狀況，資本負債比率並不適用。

		As at 31 December 2012 於二零一二年 十二月三十一日 HK\$'000 港幣千元	As at 31 December 2011 於二零一一年 十二月三十一日 HK\$'000 港幣千元
Total borrowings (note 18)	借款總額(附註18)	435,902	333,516
Less: Pledged bank deposits with maturity period over 3 months (note 14)	減：三個月以上到期之已抵押 銀行存款(附註14)	(50,007)	(77,767)
Cash and cash equivalents (note 15)	現金及現金等價物(附註15)	(915,308)	(972,923)
Net cash	現金淨額	(529,413)	(717,174)
Total equity	權益總額	3,103,254	2,552,174
Gearing ratio (%)	資本負債比率(%)	N/A	N/A

3 Financial Risk Management (Continued)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets that are measured at fair value as at 31 December 2012.

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Assets	資產				
Derivative financial instruments	衍生金融工具				
— Commodity future contracts	— 期貨商品合約	8,214	—	—	8,214
— Foreign exchange forward contracts	— 外匯遠期合約	—	6,783	—	6,783
Available-for-sale financial assets	可供出售金融資產				
— Equity investments	— 股權投資	—	—	102,819	102,819

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Liabilities	負債				
Derivative financial instruments	衍生金融工具				
— Commodity future contracts	— 期貨商品合約	59	—	—	59
— Foreign exchange forward contracts	— 外匯遠期合約	—	8,854	—	8,854

3 財務風險管理(續)

3.3 公允值估計

下表是根據估值方法，分析金融工具之公允價值。不同分級定義如下：

- 相同資產或負債之活躍市場報價(未經調整)(第一級)。
- 除包括在第一級之報價外，資產或負債之可觀察直接(即價格)或間接(即源自價格者)輸入資料(第二級)。
- 並非根據可觀察市場資料而釐定之資產或負債之輸入資料(即不可觀察之輸入資料)(第三級)。

下表呈列本集團於二零一二年十二月三十一日按公允值計量之資產。

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Assets	資產				
Derivative financial instruments	衍生金融工具				
— Commodity future contracts	— 期貨商品合約	8,214	—	—	8,214
— Foreign exchange forward contracts	— 外匯遠期合約	—	6,783	—	6,783
Available-for-sale financial assets	可供出售金融資產				
— Equity investments	— 股權投資	—	—	102,819	102,819

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Liabilities	負債				
Derivative financial instruments	衍生金融工具				
— Commodity future contracts	— 期貨商品合約	59	—	—	59
— Foreign exchange forward contracts	— 外匯遠期合約	—	8,854	—	8,854

3 Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2011.

		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Assets	資產				
Derivatives financial instruments	衍生金融工具				
— Commodity future contracts	— 期貨商品合約	1,682	—	—	1,682
— Foreign exchange forward contracts	— 外匯遠期合約	—	15,110	—	15,110
Available-for-sale financial assets	可供出售金融資產				
— Equity investments	— 股權投資	—	—	97,307	97,307
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Liabilities	負債				
Derivative financial instruments	衍生金融工具				
— Commodity future contracts	— 期貨商品合約	240	—	—	240

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise future commodity contracts.

3 財務風險管理(續)

3.3 公允值估計(續)

下表呈列本集團於二零一一年十二月三十一日按公允值計量之資產及負債。

在活躍市場買賣之金融工具之公允值，是根據報告期間完結時之市場所報價格為基準。倘報價可隨時及可定期從交易市場、交易商、經紀、產業集團、股價服務機構或監管機關獲得，並且該等價格指真實、按公平基準之定期市場交易，則該市場被視為活躍市場。本集團持有之金融資產所用之市場報價為當時買入價。該等工具獲納入第一級。獲納入第一級之工具包括期貨商品合約。

3 Financial Risk Management (Continued)

3.3 Fair value estimation (Continued)

The fair value of financial instruments that are not traded in an active market (for example, the forward foreign exchange contracts) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no significant transfers of financial assets between level 1 and level 2 fair value hierarchy classifications.

The following table presents the changes in level 3 instruments for the year ended 31 December 2011 and 2012:

		Available-for-sale financial assets 可供出售金融資產
		HK\$'000 港幣千元
At 1 January 2011	於二零一一年一月一日	29,381
Addition	添置	60,394
Net gains transfer to equity (note 17)	淨收益轉撥至權益(附註17)	4,694
Exchange differences	匯兌差異	2,838
At 31 December 2011	於二零一一年十二月三十一日	97,307
At 1 January 2012	於二零一二年一月一日	97,307
Net gains transfer to equity (note 17)	淨收益轉撥至權益(附註17)	5,518
Exchange differences	匯兌差異	(6)
At 31 December 2012	於二零一二年十二月三十一日	102,819

3 財務風險管理(續)

3.3 公允值估計(續)

並非在活躍市場買賣之金融工具(例如外匯遠期合約)之公允值，則利用估值技術釐定。該等估值技術盡用可獲得之可觀察市場數據，從而盡量減少對實體特定估計之依賴程度。倘按公允值計量一項工具之所有重大輸入數據均可觀察獲得，則該項工具獲納入第二級。

倘一個或多個重大輸入數據並非根據可觀察市場數據釐定，則該項工具獲納入第三級。

概無任何金融資產於第一級與第二級公允值架構類別間進行重大轉移。

下表呈列截至二零一一年及二零一二年十二月三十一日止年度第三級工具之變動。

		Available-for-sale financial assets 可供出售金融資產
		HK\$'000 港幣千元
At 1 January 2011	於二零一一年一月一日	29,381
Addition	添置	60,394
Net gains transfer to equity (note 17)	淨收益轉撥至權益(附註17)	4,694
Exchange differences	匯兌差異	2,838
At 31 December 2011	於二零一一年十二月三十一日	97,307
At 1 January 2012	於二零一二年一月一日	97,307
Net gains transfer to equity (note 17)	淨收益轉撥至權益(附註17)	5,518
Exchange differences	匯兌差異	(6)
At 31 December 2012	於二零一二年十二月三十一日	102,819

4 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Estimated Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.7.1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of certain key assumptions (note 8). Changing such key assumptions selected by management, including the discount rates or the growth rate assumptions, could materially affect the net present value used in the impairment test.

If the estimated pre-tax discount rate applied to the discounted cash flows for the CGUs of the micro motors business had been 1% higher than management's estimates, the recoverable amount of goodwill would still be higher than its carrying amount and no impairment of goodwill would be recognised.

If the estimated gross margin of the CGUs had been 1% lower than management's estimates, the recoverable amount of goodwill would still be higher than its carrying amount and no impairment of goodwill would be recognised.

If the growth rate of the CGUs had been 1% lower than management's estimates, the recoverable amount of goodwill would still be higher than its carrying amount and no impairment of goodwill would be recognised.

4 重要會計估計及判斷

估計及判斷之評估會不斷進行，並且依據過往經驗及其他因素作為基礎，其中包括按現況對未來事件之合理預期。

4.1 重要會計估計及假設

本集團對未來作出估計及假設。所得之會計估計根據涵義甚少等同於相關的實際結果。具有重大風險可導致資產及負債之賬面值於下一個財政年度中出現重大調整之估計及假設闡述如下。

(a) 商譽減值估計

本集團每年按照附註2.7.1所述之會計政策測試商譽是否有任何減值。現金產生單位之可收回金額按使用價值計算而釐定，該等計算須採用若干主要假設(附註8)。改變管理層挑選之主要假設(包括貼現率或增長率假設)，足以對減值測試中使用之淨現值構成重大影響。

倘適用於微電機業務現金產生單位貼現現金流量之估計稅前貼現率較管理層所估計者增加1%。商譽可收回值仍高於賬面值，並無商譽減值確認。

倘現金產生單位之估計毛利率較管理層所估計者減少1%。商譽可收回值仍高於賬面值，並無商譽減值確認。

倘現金產生單位之增長率較管理層所估計者減少1%。商譽可收回值仍高於賬面值，並無商譽減值確認。

4 Critical Accounting Estimates and Judgments (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(b) Income taxes

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

(c) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various derivative financial instruments that are not traded in active markets.

(d) Impairment of available-for-sale equity investment

The Group follows the guidance of HKAS 39 to determine when an available-for-sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

4 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

(b) 所得稅

釐定所得稅撥備時需要作出重大判斷。在日常業務過程中有多項交易及計算方式，均會影響最終所得稅項的確認。倘若該等事項最終所得稅項的確認與最初計提之所得稅撥備有所差異，有關差額將影響有關判斷期間之所得稅及遞延稅項撥備。

(c) 衍生及其他金融工具公允值

並非在活躍市場買賣之金融工具(例如場外衍生工具)之公允值，則利用估值技術釐定。本集團主要根據於每個報告期末之現行市況透過其判斷選擇多種方法並作出假設。本集團已對多種並非在活躍市場交易之衍生金融工具利用貼現現金流量分析。

(d) 可供出售權益投資減值

本集團根據香港會計準則第39號的指引釐定一項可供出售權益投資有否減值。釐定時須作出重大判斷。作出判斷時，本集團評估(其中包括)投資的公允值低於其成本的時間及差額；以及獲投資公司的財務狀況及短期業務前景，包括行業及界別表現、技術變更以及經營和融資現金流等因素。

4 Critical Accounting Estimates and Judgments (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(e) Useful lives adopted for the calculation of depreciation of property, plant and equipment

The estimate of useful lives of property, plant and equipment was made by the management with reference to the established industry practices, technical assessments made on the durability of the assets, as well as the historical magnitude and trend of repair and maintenance expenses incurred by the Group. It could change significantly as a result of technical innovations and competitor actions in responses to severe industry cycles.

If the estimated useful lives of property, plant and equipment higher/lower by 10% from management's estimates, the depreciation charge would decrease/increase by HK\$12,334,000 and HK\$15,075,000 respectively.

(f) Provision for impairment of inventories

Provision for impairment of inventories is based on the net realisable value which is the selling price in the ordinary course of business, less applicable variable selling expenses. The calculation of the net realisable value is determined based on management's estimates of the selling price and variable selling expenses according to prevailing market conditions.

Provision for impairment of inventories of the Group for the year ended 31 December 2012 is HK\$9,141,000 (2011: HK\$16,816,000).

Reversal for impairment of inventories of the Group for the year ended 31 December 2012 is HK\$16,812,000 (2011: HK\$21,751,000).

4 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

(e) 計算物業、廠房及設備折舊採納的可使用年期

物業、廠房及設備的可使用年期由管理層參照既定行業慣例、有關資產耐用性的技術評估、本集團過往發生的維修及保養開支的幅度及走勢進行估計。該估計可能會由於技術創新及競爭對手因嚴峻的行業週期採取行動而發生重大變動。

倘若管理層估計物業、廠房及設備估計可使用年期增加/減少10%，折舊開支將分別減少/增加港幣12,334,000元及港幣15,075,000元。

(f) 存貨減值撥備

存貨減值撥備按可變現淨值計算，而可變現淨值為日常業務過程中的售價減適用可變銷售開支。計算可變現淨值時是按當時市場狀況以管理層估計的售價及可變銷售開支為基準予以釐訂。

本集團截至二零一二年十二月三十一日止年度的存貨減值撥備為港幣9,141,000元(二零一一年：港幣16,816,000元)。

本集團截至二零一二年十二月三十一日止年度的存貨減值撥回為港幣16,812,000元(二零一一年：港幣21,751,000元)。

4 Critical Accounting Estimates and Judgments (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(g) Impairment of trade receivables

Management reviews its trade receivables for objective evidence of impairment. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered as objective evidence that a receivable is impaired. In determining this, management makes judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect on the market and economic environment in which the debtor operates in. Where there is objective evidence of impairment, management makes judgments as to whether an impairment loss should be recorded as an expense.

Provision for impairment of trade receivables of the Group for the year ended 31 December 2012 is HK\$31,360,000 (2011: HK\$35,162,000).

4 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

(g) 貿易應收款減值

管理層審閱其貿易應收款有否客觀減值憑證。債務人陷入嚴重的財困、債務人可能破產以及違責或長期拖欠還款均被視為應收款有客觀減值憑證。在釐定減值時，管理層需判斷有否可觀察資料顯示債務人的還款能力有重大變動，或有否對債務人業務所在的市場及經濟環境構成不利影響的重大變動。如有減值客觀憑證，管理層判斷有否減值虧損應記錄為開支。

本集團截至二零一二年十二月三十一日止年度的貿易應收款減值撥備為港幣31,360,000元(二零一一年：港幣35,162,000元)。

5 SEGMENT INFORMATION

The principal activities of the Group are manufacturing, distributing and selling motors and electronic and electric components for electrical household appliance in the PRC and overseas.

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, the Board of Directors, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the management considers the business from both business and geographical perspective. From business perspective, the Group organised into the following main business segments:

Micro motors business	—	manufacture and distribution of motors for air-conditioner and refrigerator compressor
Washing motors business	—	manufacture and distribution of motors for washing machine, dish washer and food processing machines
Raw material business	—	trading of raw materials
Discontinued operations	—	manufacture and distribution of transformers and shaded pole motors

The chief operating decision-maker assesses the performance of the operating segments based on the profit before income tax for the year.

5 分部資料

本集團之主要業務為在中國及海外製造、分銷及出售家用電器之電機及電子電器產品。

根據本集團提交予負責分配資源、評估營運分部表現及作出策略性決定之主要經營決策的董事會之內部財務報告，管理層認為可從業務及地域兩方面考慮業務狀況。在業務方面，本集團經營以下主要業務分部：

微電機業務	—	製造及分銷空調及冰箱壓縮機之電機
洗滌電機業務	—	製造及分銷洗衣機、洗碗碟機及食品加工機器之電機
原材料業務	—	買賣原材料
終止經營業務	—	製造及分銷變壓器及罩極電機

主要經營決策者根據年內扣除所得稅前利潤評估營運分部之表現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

5.1 Primary reporting format — business segments

The segment information for the year ended 31 December 2012 are as follows:

5 分部資料(續)

5.1 主要報告形式 — 業務分部

截至二零一二年十二月三十一日止年度之分部資料如下：

		Micro motors business	Washing motors business	Raw material business	Segment Total	Corporate function	Continuing operation Total	Discontinued operations	Group Total
		微電機業務	洗滌電機業務	原材料業務	分部總額	總部職能	持續經營業務總額	終止經營業務	本集團合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Gross segment revenue	總分部收入	4,621,334	3,170,176	2,849,204	10,640,714	—	10,640,714	—	10,640,714
Inter-segment revenue	分部間收入	(16,351)	(77)	(2,836,784)	(2,853,212)	—	(2,853,212)	—	(2,853,212)
Revenue (from external customers)	收入(來自外部客戶)	4,604,983	3,170,099	12,420	7,787,502	—	7,787,502	—	7,787,502
Operating profit/(loss)	經營利潤/(虧損)	459,902	343,679	6,204	809,785	(15,440)	794,345	—	794,345
Finance income/(cost) — net	融資收入/(成本) — 淨額	10,807	(13,795)	(14,400)	(17,388)	(8,243)	(25,631)	—	(25,631)
Share of profit of associates	佔聯營公司利潤	—	—	—	—	17,322	17,322	—	17,322
Profit/(loss) before income tax	扣除所得稅前利潤/(虧損)	470,709	329,884	(8,196)	792,397	(6,361)	786,036	—	786,036
Income tax expense	所得稅開支	(67,825)	(45,356)	(6,648)	(119,829)	(27,841)	(147,670)	—	(147,670)
Profit/(loss) for the year	年度利潤/(虧損)	402,884	284,528	(14,844)	672,568	(34,202)	638,366	—	638,366
Segment assets	分部資產	3,750,136	2,294,830	444,993	6,489,959	37,858	6,527,817	—	6,527,817
Deferred income tax assets	遞延所得稅資產	—	—	—	—	—	39,567	—	39,567
Investments in associates	聯營公司投資	—	—	—	—	—	271,669	—	271,669
Total assets	總資產	—	—	—	—	—	6,839,053	—	6,839,053
Segment liabilities	分部負債	1,966,920	1,279,334	288,282	3,534,536	106,861	3,641,397	—	3,641,397
Deferred income tax liabilities	遞延所得稅負債	—	—	—	—	—	94,402	—	94,402
Total liabilities	總負債	—	—	—	—	—	3,735,799	—	3,735,799
Addition of property, plant and equipment	添置物業、廠房及設備	221,247	57,075	—	278,322	15	278,337	—	278,337
Material non-cash items	重大非現金項目								
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	2,478	2,064	—	4,542	—	4,542	—	4,542
Depreciation of property, plant and equipment	物業、廠房及設備折舊	82,764	52,897	—	135,661	15	135,676	—	135,676
Reversal of impairment of inventories — net	存貨減值撥備撥回 — 淨額	(7,479)	(192)	—	(7,671)	—	(7,671)	—	(7,671)
Provision for/(reversal of) impairment of trade and other receivables — net	貿易及其他應收款減值撥備/(撥回) — 淨額	1,237	(4,446)	—	(3,209)	—	(3,209)	—	(3,209)
Fair value gain on derivative financial instruments	衍生金融工具公允價值收益	25,142	19,024	—	44,166	—	44,166	—	44,166

5 SEGMENT INFORMATION (Continued)

5.1 Primary reporting format – business segments (Continued)

The segment information for the year ended 31 December 2011 are as follows:

		Micro motors business	Washing motors business	Raw material business	Segment Total	Corporate function	Continuing operations Total	Discontinued operations	Group Total
		微電機 業務	洗滌電機 業務	原材料 業務	分部 總額	總部職能	持續經營 業務 總額	終止經營業務	本集團 合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Gross segment revenue	總分部收入	7,060,608	3,365,503	3,867,034	14,293,145	—	14,293,145	432,050	14,725,195
Inter-segment revenue	分部間收入	(11,313)	(16,120)	(3,775,339)	(3,802,772)	—	(3,802,772)	(113)	(3,802,885)
Revenue (from external customers)	收入(來自外部客戶)	7,049,295	3,349,383	91,695	10,490,373	—	10,490,373	431,937	10,922,310
Operating profit/(loss)	經營利潤/(虧損)	497,763	228,843	53,487	780,093	(9,617)	770,476	17,579	788,055
Finance income/(cost)	融資收入/(成本)								
— net	— 淨額	13,537	(16,648)	(39,612)	(42,723)	(8,819)	(51,542)	134	(51,408)
Share of profit of associates	佔聯營公司利潤	—	—	—	—	19,204	19,204	—	19,204
Profit before income tax	扣除所得稅前利潤	511,300	212,195	13,875	737,370	768	738,138	17,713	755,851
Income tax expense	所得稅開支	(80,766)	(34,471)	336	(114,901)	(31,229)	(146,130)	(5,130)	(151,260)
Profit/(loss) for the year	年度利潤/(虧損)	430,534	177,724	14,211	622,469	(30,461)	592,008	12,583	604,591
Segment assets	分部資產	3,585,801	1,949,028	305,503	5,840,332	28,915	5,869,247	—	5,869,247
Deferred income tax assets	遞延所得稅資產						38,853	—	38,853
Investments in associates	聯營公司投資						254,352	—	254,352
Total assets	總資產						6,162,452	—	6,162,452
Segment liabilities	分部負債	2,138,728	1,070,552	182,631	3,391,911	144,818	3,536,729	—	3,536,729
Deferred income tax liabilities	遞延所得稅負債						73,549	—	73,549
Total liabilities	總負債						3,610,278	—	3,610,278
Addition of property, plant and equipment	添置物業、 廠房及設備	241,104	137,077		378,181	21	378,202	692	378,894
Material non-cash items	重大非現金項目								
Amortisation of leasehold land and land use rights	租賃土地及 土地使用權攤銷	1,842	1,818	—	3,660	—	3,660	—	3,660
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	66,199	39,770	—	105,969	20	105,989	1,139	107,128
Provision for/(reversal of) impairment of inventories — net	存貨減值撥備/ (撥回) — 淨額	3,765	(8,700)	—	(4,935)	—	(4,935)	—	(4,935)
Provision for impairment of trade and other receivables — net	貿易及其他應收 款減值撥備 — 淨額	6,865	9,529	—	16,394	—	16,394	—	16,394
Fair value gain on derivative financial instruments	衍生金融工具 公允價值收益	10,348	15,224	—	25,572	—	25,572	—	25,572

5 分部資料(續)

5.1 主要報告形式 — 業務分部(續)

截至二零一一年十二月三十一日止年度之分
部資料如下：

5 SEGMENT INFORMATION (Continued)

5.2 Secondary reporting format – geographical segments

The Group is domiciled in the PRC. The Group's revenue from customers located in the PRC and outside PRC are presented as follows:

		Micro motors business	Washing motors business	Raw material business	Continuing operations Total	Discontinued operation	Group Total
		微電機 業務	洗滌電機 業務	原材料 業務	持續經營 業務 合計	終止經營 業務	本集團 合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Year ended	截至二零一二年十二						
31 December 2012	月三十一日止年度						
Revenue from customers in the PRC	來自中國境內客戶 之收入	3,540,889	1,355,954	12,420	4,909,263	—	4,909,263
Revenue from customers outside the PRC	來自中國境外客戶 之收入	1,064,094	1,814,145	—	2,878,239	—	2,878,239
		4,604,983	3,170,099	12,420	7,787,502	—	7,787,502
		Micro motors business	Washing motors business	Raw material business	Continuing operations Total	Discontinued operations	Group Total
		微電機 業務	洗滌電機 業務	原材料 業務	業務 合計	終止經營 業務	本集團 合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Year ended	截至二零一一年十二						
31 December 2011	月三十一日止年度						
Revenue from customers in the PRC	來自中國境內客戶 之收入	6,208,822	1,795,238	91,695	8,095,755	409,736	8,505,491
Revenue from customers outside the PRC	來自中國境外客戶 之收入	840,473	1,554,145	—	2,394,618	22,201	2,416,819
		7,049,295	3,349,383	91,695	10,490,373	431,937	10,922,310

No geographical segment analysis on non-current assets is prepared as substantially all of the Group's assets were located in the PRC, except for financial instruments and deferred income tax assets.

Revenue of approximately HK\$821,599,000 (2011: HK\$1,791,443,000) was derived from a single customer, which is a related party, contributed to the revenue of operating segment of micro motors business.

5 分部資料(續)

5.2 從屬報告形式 — 地區分部

本集團駐於中國。本集團來自中國境內及境外客戶之收入，呈列如下：

由於惟金融工具及遞延所得稅資產外，本集團絕大部份資產皆位於中國，故並無編製非流動資產之地區分部分析。

收入中約港幣 821,599,000 元(二零一一年：港幣 1,791,443,000 元)來自一名客戶(為關聯方)，列入微電機業務的營運分部的收入。

6 Leasehold Land and Land Use Rights

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Outside Hong Kong, held on leases of 10 to 50 years	香港以外，以10至50年之租賃持有	219,722	171,367

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Opening net book amount	年初賬面淨值	171,367	125,509
Additions	添置	52,779	31,609
Acquisition of a subsidiary	收購附屬公司	—	11,029
Amortisation charge	攤銷開支	(4,542)	(3,660)
Exchange differences	匯兌差異	118	6,880
Closing net book amount	年終賬面淨值	219,722	171,367

At 31 December 2012, leasehold land and land use rights with net book value of approximately HK\$44,937,000 (2011: HK\$46,102,000) have been pledged as security for the Group's banking facilities (note 18).

6 租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益為預付經營租賃款項，其賬面淨值分析如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Outside Hong Kong, held on leases of 10 to 50 years	香港以外，以10至50年之租賃持有	219,722	171,367

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Opening net book amount	年初賬面淨值	171,367	125,509
Additions	添置	52,779	31,609
Acquisition of a subsidiary	收購附屬公司	—	11,029
Amortisation charge	攤銷開支	(4,542)	(3,660)
Exchange differences	匯兌差異	118	6,880
Closing net book amount	年終賬面淨值	219,722	171,367

於二零一二年十二月三十一日，賬面淨值約港幣44,937,000元（二零一一年：港幣46,102,000元）之租賃土地及土地使用權已作為本集團銀行授信之抵押（附註18）。

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7 Property, Plant and Equipment

(a) Group

		Construction- in-progress	Buildings	Furniture and fixtures	Plant and machinery	Motor vehicles	Electronic and other equipment	Total
		在建工程	樓宇	傢俬及 裝修	廠房及 機器	汽車	電子及 其他設備	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2011	於二零一一年一月一日							
Cost	成本	122,865	323,875	52,662	785,103	13,952	65,396	1,363,853
Accumulated depreciation	累計折舊	—	(81,106)	(31,311)	(320,450)	(5,815)	(41,736)	(480,418)
Net book amount	賬面淨值	122,865	242,769	21,351	464,653	8,137	23,660	883,435
Year ended 31 December 2011	截至二零一一年十二 月三十一日止年度							
Opening net book amount	年初賬面淨值	122,865	242,769	21,351	464,653	8,137	23,660	883,435
Additions	添置	117,918	30,417	14,163	180,552	9,500	26,344	378,894
Acquisition of a subsidiary	收購附屬公司	3,948	12,651	—	9,320	209	1,532	27,660
Exchange differences	匯兌差異	6,116	11,775	863	21,720	338	875	41,687
Disposals	出售	(1,509)	—	(41)	(50,263)	(3,346)	(7,130)	(62,289)
Disposal — discontinued operations	出售 — 終止經營業務	—	—	—	(22,750)	—	(1,939)	(24,689)
Transfers	轉撥	(112,400)	43,359	—	69,041	—	—	—
Depreciation	折舊	—	(15,966)	(9,158)	(64,732)	(3,093)	(14,179)	(107,128)
Closing net book amount	年終賬面淨值	136,938	325,005	27,178	607,541	11,745	29,163	1,137,570
At 31 December 2011	於二零一一年 十二月三十一日							
Cost	成本	136,938	426,437	68,853	954,973	19,836	69,003	1,676,040
Accumulated depreciation	累計折舊	—	(101,432)	(41,675)	(347,432)	(8,091)	(39,840)	(538,470)
Net book amount	賬面淨值	136,938	325,005	27,178	607,541	11,745	29,163	1,137,570
Year ended 31 December 2012	截至二零一二年十二月 三十一日止年度							
Opening net book amount	年初賬面淨值	136,938	325,005	27,178	607,541	11,745	29,163	1,137,570
Additions	添置	122,177	7,201	7,976	96,630	3,837	40,516	278,337
Exchange differences	匯兌差異	(35)	(154)	(42)	(399)	(15)	(87)	(732)
Disposals	出售	(855)	(80)	(191)	(26,411)	(538)	(8,440)	(36,515)
Transfers	轉撥	(101,042)	19,739	—	81,303	—	—	—
Depreciation	折舊	—	(21,195)	(10,605)	(74,800)	(3,882)	(25,194)	(135,676)
Closing net book amount	年終賬面淨值	157,183	330,516	24,316	683,864	11,147	35,958	1,242,984
At 31 December 2012	於二零一二年十二月 三十一日							
Cost	成本	157,183	453,190	63,595	1,071,710	21,509	104,081	1,871,268
Accumulated depreciation	累計折舊	—	(122,674)	(39,279)	(387,846)	(10,362)	(68,123)	(628,284)
Net book amount	賬面淨值	157,183	330,516	24,316	683,864	11,147	35,958	1,242,984

7 物業、廠房及設備

(a) 本集團

7 Property, Plant and Equipment (Continued)

(a) Group (Continued)

Depreciation expense of HK\$124,723,000 (2011: HK\$88,475,000) has been charged in cost of sales, HK\$136,000 (2011: HK\$121,000) in selling and marketing costs and HK\$10,817,000 (2011: HK\$18,532,000) in administrative expenses.

At 31 December 2012, property, plant and equipment with net book value of HK\$53,126,000 (2011: HK\$43,253,000) were pledged as security for the Group's banking facilities (note 18).

Construction-in-progress as at 31 December 2012 mainly comprises new manufacturing equipment being constructed.

7 物業、廠房及設備(續)

(a) 本集團(續)

折舊開支港幣124,723,000元(二零一一年：港幣88,475,000元)已計入銷售貨品成本，港幣136,000元(二零一一年：港幣121,000元)已計入銷售及市場推廣成本，而港幣10,817,000元(二零一一年：港幣18,532,000元)則已計入行政開支。

於二零一二年十二月三十一日，賬面淨值港幣53,126,000元(二零一一年：港幣43,253,000元)之物業、廠房及設備已作為本集團銀行授信之抵押(附註18)。

於二零一二年十二月三十一日的在建工程主要包括正在建設中的新製造設備。

7 Property, Plant and Equipment (Continued)

7 物業、廠房及設備(續)

(b) Company

(b) 本公司

Electronic and
other equipment
電子及其他設備
HK\$'000
港幣千元

At 1 January 2011	於二零一一年一月一日	
Cost	成本	298
Accumulated depreciation	累計折舊	(275)
Net book amount	賬面淨值	23
Year ended 31 December 2011	截至二零一一年 十二月三十一日止年度	
Opening net book amount	年初賬面淨值	23
Additions	添置	6
Disposals	出售	(4)
Depreciation	折舊	(10)
Closing net book amount	年終賬面淨值	15
At 31 December 2011	於二零一一年十二月三十一日	
Cost	成本	275
Accumulated depreciation	累計折舊	(260)
Net book amount	賬面淨值	15
Year ended 31 December 2012	截至二零一二年 十二月三十一日止年度	
Opening net book amount	年初賬面淨值	15
Additions	添置	5
Depreciation	折舊	(4)
Closing net book amount	年終賬面淨值	16
At 31 December 2012	於二零一二年十二月三十一日	
Cost	成本	280
Accumulated depreciation	累計折舊	(264)
Net book amount	賬面淨值	16

8 Intangible Assets

8 無形資產

		Goodwill	Technology	Development cost	Group Total
		商譽	技術	開發成本	本集團合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2011	於二零一一年一月一日				
Cost and net book amount	成本及賬面淨值	23,188	—	—	23,188
Year ended 31 December 2011	截至二零一一年十二月三十一日止年度				
Opening net book amount	年初賬面淨值	23,188	—	—	23,188
Additions	添置	—	—	5,608	5,608
Acquisition of a subsidiary	收購附屬公司	4,757	30,879	—	35,636
Amortisation charge	攤銷開支	—	(757)	—	(757)
Exchange differences	匯兌差異	1,177	46	119	1,342
Closing net book amount	年終賬面淨值	29,122	30,168	5,727	65,017
At 31 December 2011	於二零一一年十二月三十一日				
Cost	成本	29,122	30,925	5,727	65,774
Accumulated amortisation	累計攤銷	—	(757)	—	(757)
Net book amount	賬面淨值	29,122	30,168	5,727	65,017
Year ended 31 December 2012	截至二零一二年十二月三十一日止年度				
Opening net book amount	年初賬面淨值	29,122	30,168	5,727	65,017
Additions	添置	—	—	15,629	15,629
Amortisation charge	攤銷開支	—	(3,083)	—	(3,083)
Exchange differences	匯兌差異	(7)	(19)	51	25
Closing net book amount	年終賬面淨值	29,115	27,066	21,407	77,588
At 31 December 2012	於二零一二年十二月三十一日				
Cost	成本	29,115	30,933	21,407	81,455
Accumulated amortisation	累計攤銷	—	(3,867)	—	(3,867)
Net book amount	賬面淨值	29,115	27,066	21,407	77,588

8 Intangible Assets (Continued)

The goodwill is attributable to the synergies expected to arise upon the Group's acquisition of the non-controlling interests of the cash-generating units ("CGU") in micro motors business segments located in the PRC. A summary of the goodwill allocation is presented below:

		As at 31 December 於十二月三十一日	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Guangdong Welling Motor Manufacturing Co., Ltd. ("GD Welling")	廣東威靈電機製造有限公司 (「廣東威靈」)	24,333	24,338
Changzhou Welling Motor Manufacturing Co., Ltd. ("Changzhou Welling")	常州威靈電機製造有限公司 (「常州威靈」)	4,782	4,784
		29,115	29,122

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used for value-in-use calculations are as follows:

		GD Welling 廣東威靈	Changzhou Welling 常州威靈
As at 31 December 2012	於二零一二年十二月三十一日		
Gross margin (budgeted gross margin)	毛利率(預算毛利率)	12%	21%
Growth rate	增長率	1%	24%
Discount rate (pre-tax discount rate applied to the cash flow projections)	貼現率(用於現金流量預測之稅前貼現率)	15%	15%
As at 31 December 2011	於二零一一年十二月三十一日		
Gross margin (budgeted gross margin)	毛利率(預算毛利率)	10%	24%
Growth rate	增長率	1%	25%
Discount rate (pre-tax discount rate applied to the cash flow projections)	貼現率(用於現金流量預測之稅前貼現率)	15%	15%

Management determined the budgeted gross margin based on past performance and its expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

8 無形資產(續)

商譽來自預期於本集團收購位於中國之微電機業務分部之現金產生單位(「現金產生單位」)非控股權益後產生之協同效益。商譽分配概要呈列如下：

現金產生單位之可收回金額乃按使用價值計算予以釐定。有關計算使用稅前現金流量預測(根據管理層批准之五年期財政預算)作出。五年期以外之現金流量乃按下文所述之估計增長率推斷。

使用價值計算之主要假設如下：

管理層根據過往表現及其對市場發展之預期釐定預算毛利率。所採用之貼現率為稅前比率並反映相關分部之特定風險。

9 Investments in Subsidiaries and Loan to a Subsidiary

The details of the investments in subsidiaries and loan to a subsidiary of the Company are as follows:

(a) Investments in subsidiaries

		Company 本公司	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Investments in equity interests	股權投資		
— at cost, unlisted	— 按成本，非上市	4,500,000	4,500,000
— subsequent exchange differences due to translation into presentation currency (note 2.5(c))	— 其後因換算為呈列貨幣之匯兌差異 (附註2.5(c))	470,508	471,736
Investments arising from share-based payments (i)	以股份支付 支出產生之投資(i)	8,236	7,846
Amounts due from subsidiaries (ii)	應收附屬公司款項(ii)	496,874	397,938
		5,475,618	5,377,520

(i) The amount represents share-based payments arising from the grant of share options of the Company to employees of the subsidiaries for their services provided to the subsidiaries.

(ii) The amounts due from subsidiaries are unsecured, denominated in HK\$, interest-free, will not be required to repay within 12 months, with no fixed term of repayment, non-trade related and not past due.

9 附屬公司投資及貸款予一家附屬公司

下列為本公司附屬公司投資及貸款予一家附屬公司之詳情：

(a) 附屬公司投資

(i) 該款項指就附屬公司之僱員向附屬公司提供服務而向彼等授出本公司購股權產生之以股份支付支出。

(ii) 應收附屬公司款項為無抵押、以港幣列值、免息，不須於十二個月內償還、無固定還款期、非貿易相關且無逾期。

9 Investments in Subsidiaries and Loan to a Subsidiary (Continued)

(b) Loan to a subsidiary

		Company 本公司	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Current	即期	—	60,143

The loan to a subsidiary is unsecured, interest bearing, denominated in HK\$ and was fully repaid during 2012. The fair value of the loan to a subsidiary approximate its carrying value, which is based on cash flow discounted using a rate based on the borrowing rate of 3%, which has no material difference to the market borrowing rate determined by HIBOR plus appropriate credit rating.

9 附屬公司投資及貸款予一家附屬公司(續)

(b) 貸款予一家附屬公司

貸款予一家附屬公司為無抵押、計息、以港幣列值，並已於二零一二年償還。貸款予一家附屬公司之公允值與其賬面值相若，乃根據借款利率3%，按現金流量貼現計算。貼現率與香港銀行同業拆息率另加適當之信貸評級釐定的市場借貸率並無重大差異。

9 Investments in Subsidiaries and Loan to a Subsidiary (Continued)

The particulars of the subsidiaries as at 31 December 2012 are:

Name 名稱	Place of incorporation and operation/establishment and kind of legal entity 註冊成立及營業/ 成立地點及法定實體類別	Principal activities 主要業務	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之詳情	Interest held 所持權益
Directly held: 直接持有：				
Welling Holding (BVI) Ltd. 威靈控股(BVI)有限公司	British Virgin Islands, limited liability company 英屬處女群島，有限責任公司	Investment holding 投資控股	10,000 ordinary shares of USD1 each 10,000股每股面值1美元之普通股	100%
Indirectly held: 間接持有：				
Changzhou Honglu Huate Electric Co., Ltd. 常州弘祿華特電機有限公司	PRC, limited liability company 中國，有限責任公司	Manufacture and trading of motors 製造及買賣電機	Registered capital RMB40,622,545 註冊資本人民幣40,622,545元	70%
Changzhou Welling Motor Manufacturing Co., Ltd. ("Changzhou Welling") 常州威靈電機製造有限公司(「常州威靈」)	PRC, limited liability company (foreign investment enterprises) 中國，有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD25,650,000 註冊資本25,650,000美元	70%
Foshan Welling Electronic & Electric Co., Ltd. ("Welling Electronic and Electric") 佛山市威靈電子電器有限公司(「威靈電子電器」)	PRC, limited liability company (foreign investment enterprises) 中國，有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD15,000,000 註冊資本15,000,000美元	100%
Foshan Welling Material Supply Co., Ltd. 佛山市威靈材料供應有限公司	PRC, limited liability company 中國，有限責任公司	Trading of raw materials 買賣原材料	Registered capital RMB20,000,000 註冊資本人民幣20,000,000元	100%
Foshan Welling Washer Motor Manufacturing Co., Ltd. ("Welling Washer") 佛山市威靈洗滌電機製造有限公司(「威靈洗滌」)	PRC, limited liability company (foreign investment enterprises) 中國，有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD6,400,000 註冊資本6,400,000美元	100%
Guangzhou Welling Motor Manufacturing Co., Ltd. ("GD Welling") 廣東威靈電機製造有限公司(「廣東威靈」)	PRC, limited liability company (foreign investment enterprises) 中國，有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD48,810,000 註冊資本48,810,000美元	100%

9 附屬公司投資及貸款予一家附屬公司(續)

附屬公司於二零一二年十二月三十一日之詳情如下：

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9 Investments in Subsidiaries and Loan to a Subsidiary (Continued)

9 附屬公司投資及貸款予一家附屬公司(續)

Name 名稱	Place of incorporation and operation/establishment and kind of legal entity 註冊成立及營業/ 成立地點及法定實體類別	Principal activities 主要業務	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本之詳情	Interest held 所持權益
Hefei Welling Motor Manufacturing Co., Ltd. 合肥威靈電機製造有限公司	PRC, limited liability company 中國，有限責任公司	Manufacture and trading of motors 製造及買賣電機	Registered capital RMB50,000,000 註冊資本人民幣50,000,000元	100%
Huaian Welling Motor Manufacturing Co., Ltd. ("Huaian Welling") 淮安威靈電機製造有限公司(「淮安威靈」)	PRC, limited liability company (foreign investment enterprises) 中國，有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD5,000,000 註冊資本5,000,000美元	100%
Midea Welling Motor Technology (Shanghai) Co., Ltd. 美的威靈電機技術(上海)有限公司	PRC, limited liability company 中國，有限責任公司	Providing technical consultancy services 提供技術顧問服務	Registered capital RMB10,000,000 註冊資本人民幣10,000,000元	100%
Welling International Hong Kong Ltd. ("Welling HK") 威靈國際香港有限公司(「威靈香港」)	Hong Kong, limited liability company 香港，有限責任公司	Investment holding and trading of motors 投資控股及買賣電機	10,000,000 ordinary shares of HK\$1 each 10,000,000股每股面值港幣1元之普通股	100%
Welling Macao Commercial Offshore Limited 威靈澳門離岸商業服務有限公司	Macao Special Administrative Region, limited liability company 澳門特別行政區，有限責任公司	Offshore trading 離岸交易	Registered Capital Macao Pataca 100,000 註冊資本澳門幣100,000元	100%
Welling (Wuhu) Motor Manufacturing Co., Ltd. ("Wuhu Welling") 威靈(蕪湖)電機製造有限公司(「蕪湖威靈」)	PRC, limited liability company (foreign investment enterprises) 中國，有限責任公司(外資企業)	Manufacture and trading of motors 製造及買賣電機	Registered capital USD17,680,000 註冊資本17,680,000美元	100%
Wuhu Welling Motor Sales Co., Ltd. 蕪湖威靈電機銷售有限公司	PRC, limited liability company 中國，有限責任公司	Trading of motors 買賣電機	Registered capital RMB50,000,000 註冊資本人民幣50,000,000元	100%
Wuxi Little Swan Huayin Electrical Appliances Co., Ltd.* 無錫小天鵝華印電器有限公司*	PRC, limited liability company 中國，有限責任公司	Manufacture and trading of motors 製造及買賣電機	Registered capital RMB49,673,470 註冊資本人民幣49,673,470元	100%

* The company is in the process of deregistration.

* 該公司正在辦理撤銷註冊手續。

10 Investments in Associates

10 聯營公司投資

		Group 本集團 HK\$'000 港幣千元
At 1 January 2011	於二零一一年一月一日	223,651
Share of associates' profit after tax	佔聯營公司扣除稅後利潤	19,204
Exchange differences	匯兌差異	11,497
At 31 December 2011	於二零一一年十二月三十一日	254,352
At 1 January 2012	於二零一二年一月一日	254,352
Share of associates' profit after tax	佔聯營公司扣除稅後利潤	17,322
Exchange differences	匯兌差異	(5)
At 31 December 2012	於二零一二年十二月三十一日	271,669

The summarised financial information of the Group's principal associates as at 31 December 2012, all of which are unlisted, including the aggregated gross amounts of assets, liabilities, revenues and profit, is as follows:

於二零一二年十二月三十一日，本集團主要聯營公司(全部均為非上市)之財務資料(包括資產、負債、收入及利潤總額)概述如下：

Name	Place of incorporation/ establishment 註冊成立/ 成立地點	Assets	Liabilities	Revenues	Profit	Effective interest held
名稱		資產	負債	收入	利潤	所持有有效權益
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
Shanxi Huaxiang Group Co., Ltd. 山西華翔集團有限公司	PRC 中國	1,662,712	1,090,972	1,210,708	36,505	49%
Linkgo-HK Limited 香港林柯有限公司	Hong Kong 香港	46,577	144	—	13,454	49%

11 Available-for-sale Financial Assets

11 可供出售金融資產

		Group 本集團 HK\$'000 港幣千元
At 1 January 2011	於二零一一年一月一日	29,381
Addition (b)	添置(b)	60,394
Net gains transfer to equity (note 17)	淨收益轉撥至權益(附註17)	4,694
Exchange differences	匯兌差異	2,838
At 31 December 2011	於二零一一年十二月三十一日	97,307
At 1 January 2012	於二零一二年一月一日	97,307
Net gains transfer to equity (note 17)	淨收益轉撥至權益(附註17)	5,518
Exchange differences	匯兌差異	(6)
At 31 December 2012	於二零一二年十二月三十一日	102,819

(a) In April 2009, the wholly-owned subsidiary of the Company, GD Welling entered into an investment agreement with Midea Group Co., Ltd. ("Midea") and GD Midea Holding Co., Ltd. ("GD Midea", a company of which 42.49% interest is held by Midea) for the purpose of incorporation of Midea Group Finance Co., Ltd. (the "Finance Company"). The initial registered capital of the Finance Company is RMB500 million and 5% was contributed by the Group. The Finance Company shall provide a range of financial services as approved by the China Banking Regulatory Commission ("CBRC"). The Finance Company was mainly engaged in taking of deposits from and borrowing of loans to Midea and its subsidiaries and placement of short term deposits with domestic reputable banks.

(a) 於二零零九年四月，本公司之全資附屬公司廣東威靈與美的集團股份有限公司（「美的」）及廣東美的電器股份有限公司（「美的電器」，美的擁有當中42.49%權益）訂立投資協議，以註冊成立美的集團財務有限公司（「財務公司」）。財務公司之初步註冊資本為人民幣500,000,000元，當中5%由本集團注入。財務公司可提供一系列經中國銀行業監督管理委員會（「中國銀監會」）批准之財務服務。財務公司主要從事吸納美的及其附屬公司的存款、向彼等進行借貸及存放短期存款於國內認可銀行。

11 Available-for-sale Financial Assets

(Continued)

- (b) On 18 November 2011, GD Welling entered into a capital increase agreement with Midea and GD Midea, pursuant to which each of GD Welling, Midea and GD Midea agreed to increase its capital contribution to the Finance Company in an aggregate amount of RMB1,000 million in proportion to each of their respective equity interests in the Finance Company by way of cash. According to the 5% equity interest of GD Welling in the Finance Company, RMB50 million (equivalent to approximately HK\$60,394,000) cash should be made by GD Welling to the Finance Company. The capital increase in the Finance Company was approved by the CBRC on 30 December 2011 and the payment of capital contribution was completed on the same date. Upon completion of the capital increase, the registered capital of the Finance Company was increased from RMB500 million to RMB1,500 million while the respective equity interests of GD Welling, Midea and GD Midea in the Finance Company remained at 5%, 55% and 40% respectively.
- (c) The fair value of available-for-sale financial assets was determined by the Directors. A gain arising from the fair value amounting to HK\$5,518,000 (2011: HK\$4,694,000) was recognised in other comprehensive income for the year ended 31 December 2012.

11 可供出售金融資產(續)

- (b) 於二零一一年十一月十八日，廣東威靈與美的及美的電器訂立增資協議。據此，廣東威靈、美的及美的電器各自同意向財務公司按彼等各自於財務公司所佔股權比例以現金增資總額為人民幣1,000,000,000元。廣東威靈於財務公司擁有5%股權，應向財務公司增資人民幣50,000,000元(約相等於港幣60,394,000元)現金。於二零一一年十二月三十日，中國銀監會批准向財務公司增資，並於同日完成注資付款。完成增資後，財務公司的註冊資本由人民幣500,000,000元增至人民幣1,500,000,000元，而廣東威靈、美的及美的電器各自分別於財務公司維持擁有5%、55%及40%股權。
- (c) 可供出售金融資產的公允值由董事釐定。公允值產生的收益港幣5,518,000元(二零一一年：港幣4,694,000元)於截至二零一二年十二月三十一日止年度的其他全面收益內確認。

12 Inventories

12 存貨

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Raw materials	原材料	210,586	187,835
Work-in-progress	在製品	31,026	40,862
Finished goods (Note)	製成品(附註)	461,919	384,354
		703,531	613,051

The cost of inventories recognised as expense and included in cost of goods sold amounted to HK\$5,624,032,000 (2011: HK\$7,254,782,000).

During the year, the Group made a provision for impairment of inventories amounting to HK\$9,141,000 (2011: HK\$16,816,000). The Group reversed a provision for inventory of HK\$16,812,000 (2011: HK\$21,751,000) as the goods have been sold. The reversal has been included as a reduction of cost of goods sold in the consolidated income statement.

Note: As at 31 December 2012, the Group had finished goods which were delivered and kept in stores at customers' location amounting to approximately HK\$241,186,000 (2011: HK\$230,359,000). No sales have been recognised for these finished goods as the risks and rewards have not been passed to the customers until the customers have confirmed the receipt of those goods.

存貨成本港幣5,624,032,000元(二零一一年：港幣7,254,782,000元)已確認為開支並計入銷售貨品成本內。

於年內，本集團作出存貨減值撥備港幣9,141,000元(二零一一年：港幣16,816,000元)。由於貨品已出售，本集團撥回存貨撥備港幣16,812,000元(二零一一年：港幣21,751,000元)。撥回已減少綜合收益表之銷售貨品成本。

附註：於二零一二年十二月三十一日，本集團交付及存放在客戶地點的製成品約港幣241,186,000元(二零一一年：港幣230,359,000元)。由於風險及回報未轉嫁予客戶，故該等製成品的銷售並未獲確認，直至客戶確認收到該等製成品為止。

13 Trade and Other Receivables

13 貿易及其他應收款

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Trade receivables (Note (a))	貿易應收款(附註(a))	1,265,739	1,022,211	—	—
Less: provision for impairment (Note (c))	減：減值撥備 (附註(c))	(31,360)	(35,162)	—	—
Trade receivables - net	貿易應收款 — 淨額	1,234,379	987,049	—	—
Notes receivable (Notes (a),(d))	應收票據 (附註(a)、(d))	660,589	345,442	—	—
Prepayments	預付款	204,005	133,875	—	—
Other receivables	其他應收款	131,348	146,712	485	485
Less: provision for impairment of other receivables (Note (c))	減：其他應收款減值 撥備(附註(c))	—	(104)	—	—
Prepaid value-added tax - net (Note (e))	預付增值稅 — 淨額(附註(e))	90,104	34,121	—	—
		2,320,425	1,647,095	485	485
Less: non-current portion — Prepayment for property, plant and equipment	減：非即期部分 — 預付物業、廠房及 設備款項	(3,281)	(11,981)	—	—
		2,317,144	1,635,114	485	485

As at 31 December 2012 and 2011, the fair values of trade and other receivables of the Group and the Company approximate their carrying amounts.

於二零一二年及二零一一年十二月三十一日，本集團及本公司之貿易及其他應收款之公允值與其賬面值相若。

13 Trade and Other Receivables (Continued)

As at 31 December 2012 and 2011, other receivables of the Company are denominated in HK\$. Trade and other receivables other than prepayment of the Group are denominated in the following currencies:

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
RMB	人民幣	1,363,046	978,025
USD	美元	550,026	395,934
EUR	歐元	203,076	138,929
Others	其他	272	332
		2,116,420	1,513,220

Notes:

- (a) The majority of the Group's trade receivables are with credit period from 60 to 150 days. As at 31 December 2012 and 2011, the ageing analysis of the gross trade receivables and notes receivable respectively are as follows:

附註：

- (a) 本集團大部份貿易應收款之信貸期介乎60日至150日。於二零一二年及二零一一年十二月三十一日，貿易應收款及應收票據總額之賬齡分析分別如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Gross trade receivables:	貿易應收款總額：		
Within 3 months	三個月以內	1,097,885	872,258
3 to 6 months	三至六個月	155,762	140,659
Over 6 months	六個月以上	12,092	9,294
		1,265,739	1,022,211

13 Trade and Other Receivables (Continued)

(a) (Continued)

Notes receivable:	應收票據：	Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Within 3 months	三個月以內	259,653	98,157
3 to 6 months	三至六個月	400,936	247,285
		660,589	345,442

As at 31 December 2012 and 2011, the trade and other receivables that are neither past due nor impaired are fully performing.

- (b) As at 31 December 2012, trade receivables of HK\$104,207,000 (2011: HK\$83,108,000) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables is as follows:

13 貿易及其他應收款(續)

(a) (續)

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
		259,653	98,157
		400,936	247,285
		660,589	345,442

於二零一二年及二零一一年十二月三十一日，尚未逾期亦無減值的貿易及其他應收款悉數獲得履行。

- (b) 於二零一二年十二月三十一日，貿易應收款港幣104,207,000元(二零一一年：港幣83,108,000元)已逾期但未減值。該等貿易應收款與眾多並無重大財務困難的獨立客戶有關，且根據過往經驗，逾期款項可予收回。此等貿易應收款之賬齡分析如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
3 to 6 months	三至六個月	102,738	80,401
Over 6 months	六個月以上	1,469	2,707
		104,207	83,108

13 Trade and Other Receivables (Continued)

(c) As at 31 December 2012, trade and other receivables of approximately HK\$63,647,000 (2011: HK\$69,091,000) were potentially impaired. The provision in relation thereto was approximately HK\$31,360,000 (2011: HK\$35,266,000) at 31 December 2012. The individual impaired receivables mainly relate to past due receivables from customers. There is no recent history of default for most of the customers, it was assessed that a large portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Within 3 months	三個月以內	—	2,246
3 to 6 months	三至六個月	53,024	60,258
Over 6 months	六個月以上	10,623	6,587
		63,647	69,091

Movements on the provision for impairment of trade receivables and other receivables are as follows:

貿易應收款及其他應收款之減值撥備變動如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Beginning of the year	年初	35,266	17,650
Provision for impairment	減值撥備	10,186	18,205
Bad debts written off	壞賬撇銷	(675)	—
Provisions written back	撥回撥備	(13,395)	(1,811)
Exchange differences	匯兌差異	(22)	1,222
End of the year	年終	31,360	35,266

13 Trade and Other Receivables (Continued)

(c) (Continued)

The creation and release of provision for impaired receivables have been included in administrative expenses in the consolidated income statement (note 24). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The provision written back represented the subsequent collection of previously provided impaired amounts.

The other classes within trade and other receivables do not contain impaired assets.

(d) The balance represents bank acceptance notes with maturity periods within six months. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

(e) The Group has paid input value-added taxes ("VAT") to the State Tax Bureau for the goods purchased from its suppliers. In accordance with the relevant PRC tax regulations, these VAT can be offset with the output VAT arising from the sales in the future but are not refundable. The balances at 31 December 2012 and 2011 represented net input VAT after offsetting the output VAT payable by the Group for the domestic sales made during the year.

13 貿易及其他應收款(續)

(c) (續)

新增及解除之應收款減值撥備已計入綜合收益表之行政開支內(附註24)。倘預期不能收回額外現金，則計入撥備賬之金額一般會撇銷。

撥回撥備為之後收回之過往撥備減值金額。

貿易及其他應收款之其他類別不包括已減值資產。

(d) 有關結餘為六個月內到期之銀行承兌票據。於報告日期之最大信貸風險為上述各類應收款之公允值。本集團並無持有任何抵押品作抵押。

(e) 本集團已就購自供應商的貨品向國家稅務局支付進項增值稅(「增值稅」)。根據有關中國稅務法規，該等增值稅可抵銷未來銷售產生的銷項增值稅，惟不可退還。於二零一二年及二零一一年十二月三十一日結餘指抵銷本集團年內就國內銷售應付的銷項增值稅後進項增值稅淨額。

14 Pledged Bank Deposits with Maturity Period Over 3 Months

Certain bank balances were pledged against bank acceptance notes issued by the Group and these deposits will be released upon the maturity of the bank acceptance notes issued. These pledged bank deposits bear interest at bank saving rates of 3.06% per annum (2011: 3.07% per annum). All pledged bank deposits are denominated in RMB.

14 三個月以上到期之已抵押銀行存款

若干銀行結餘乃作為本集團所發出之銀行承兌票據之抵押，而該等存款將於發出之銀行承兌票據到期日解除。該等已抵押銀行存款按銀行存款年利率3.06%（二零一一年：年利率3.07%）計息。所有已抵押銀行存款以人民幣計值。

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Total pledged bank deposits	已抵押銀行存款總額	139,598	192,887
Less: Maturity period within 3 months (note 15)	減：三個月以內到期(附註15)	(89,591)	(115,120)
Maturity period over 3 months	三個月以上到期	50,007	77,767

15 Cash and Cash Equivalents

15 現金及現金等價物

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Bank deposits and cash on hand	銀行存款及手頭現金	825,717	857,803	3,097	13,457
Pledged bank deposits with maturity period within 3 months (note 14)	三個月以內到期之已抵押銀行存款(附註14)	89,591	115,120	—	—
		915,308	972,923	3,097	13,457

At 31 December 2012, cash at banks and pledged bank deposits with maturity period within 3 months of the Group in the total amount of HK\$767,308,000 (2011: HK\$911,200,000) were kept in bank accounts of PRC banks of which the remittance of funds were subject to foreign exchange control.

於二零一二年十二月三十一日，本集團之銀行存款及三個月以內到期之已抵押銀行存款總額港幣767,308,000元（二零一一年：港幣911,200,000元），乃存放於在中國之銀行之銀行賬戶中，該等資金之匯出須受外匯管制規限。

15 Cash and Cash Equivalents (Continued)

The effective interest rate on bank deposits was 0.83% per annum (2011: 1.24% per annum).

15 現金及現金等價物(續)

銀行存款之實際年利率為0.83% (二零一一年：年利率1.24%)。

16 Share Capital and Share Options

(a) Share capital

		Authorised ordinary shares 法定股本之普通股	
		Number of shares ('000) 股份數目(千股)	HK\$'000 港幣千元
At 1 January 2011, at HK\$0.1 each	於二零一一年一月一日 每股面值港幣0.1元	20,000,000	2,000,000
Share consolidation (i)	股份合併(i)	(16,000,000)	—
At 31 December 2011 and 2012, at HK\$0.5 each	於二零一一年及二零一二年 十二月三十一日每股面值 港幣0.5元	4,000,000	2,000,000
		Issued and fully paid ordinary shares 已發行及繳足股本之普通股	
		Number of shares ('000) 股份數目(千股)	HK\$'000 港幣千元
At 1 January 2011, at HK\$0.1 each	於二零一一年一月一日 每股面值港幣0.1元	14,090,564	1,409,056
Share consolidation (i)	股份合併(i)	(11,272,451)	—
Share issued under the employee share option scheme (ii)	僱員購股權計劃下 之股份發行(ii)	3,500	1,750
At 31 December 2011 and 1 January 2012, at HK\$0.5 each	於二零一一年十二月三十一日 及二零一二年一月一日 每股面值港幣0.5元	2,821,613	1,410,806
Share issued under the employee share option scheme (iii)	僱員購股權計劃下 之股份發行(iii)	100	50
At 31 December 2012, at HK\$0.5 each	於二零一二年十二月三十一日 每股面值港幣0.5元	2,821,713	1,410,856

16 Share Capital And Share Options (Continued)

(a) Share capital (Continued)

- (i) Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 26 May 2011, every five issued and unissued shares of HK\$0.1 each in the capital of the Company were consolidated into one share of HK\$0.5 each ("Share Consolidation") and the share consolidation became effective on 27 May 2011. The weighted average of ordinary shares for the purposes of calculating basic and diluted earnings per share for the year ended 31 December 2011 has been retrospectively adjusted for the effect of share consolidation completed on 27 May 2011.
- (ii) The share options exercised by a Director of the Company and certain employees of the Group for the year ended 31 December 2011, resulted in 3,500,000 shares being issued at HK\$0.785 each, yielding proceeds after transaction costs of approximately HK\$2,714,000. The weighted average closing price of shares of the Company at the time of exercise of share options was HK\$1.23.
- (iii) The share options exercised by an employee of the Group for the year ended 31 December 2012, resulted in 100,000 shares being issued at HK\$0.785 each, yielding proceeds after transaction costs of approximately HK\$72,000. The weighted average closing price of shares of the Company at the time of exercise of share options was HK\$1.2.

(b) Share options

The Company adopted a share option scheme as approved by the shareholders of the Company at an extraordinary general meeting held on 27 June 2003 (the "Share Option Scheme").

16 股本及購股權(續)

(a) 股本(續)

- (i) 根據二零一一年五月二十六日通過的本公司股東特別大會普通決議案，每五股每股面值港幣0.1元的本公司股本中已發行及未發行股份合併為一股每股面值港幣0.5元的本公司股份(「股份合併」)，股份合併於二零一一年五月二十七日生效。用作計算截至二零一一年十二月三十一日止年度每股基本及攤薄盈利之普通股加權平均數已追溯調整，以反映於二零一一年五月二十七日完成股份合併的影響。
- (ii) 截至二零一一年十二月三十一日止年度，本公司一名董事及本集團部份僱員行使購股權，導致3,500,000股股份按每股港幣0.785元的價格發行，扣除交易費後的所得款項約為港幣2,714,000元。購股權獲行使時，本公司股份的加權平均收市價為港幣1.23元。
- (iii) 截至二零一二年十二月三十一日止年度，本集團一名僱員行使購股權，導致100,000股股份按每股港幣0.785元的價格發行，扣除交易費後的所得款項約為港幣72,000元。購股權獲行使時，本公司股份的加權平均收市價為港幣1.2元。

(b) 購股權

本公司採納經由本公司股東於二零零三年六月二十七日舉行之股東特別大會上批准之購股權計劃(「購股權計劃」)。

16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

The purpose of the Share Option Scheme is for the Company to attract, retain and motivate talented participants to strive for future developments and expansion of the Group and to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants. Eligible participants of the Share Option Scheme include the Directors of the Company (including executive Directors and non-executive Directors) or employees of the Group, consultants or advisors of the Group, substantial shareholders or employees of substantial shareholders of the Company, associates of Directors or chief executives or substantial shareholders of the Company, employees or directors of suppliers or customers of the Group, discretionary objects of a discretionary trust established by employees or directors of the Group, as to be determined by the Board at its absolute discretion within the above categories.

The maximum numbers of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Company must not in aggregate exceed 30% of the shares in issue from time to time. The total number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares of the Company in issue as at the date of adoption of the Share Option Scheme, but the Company may seek approval of its shareholders in general meeting to refresh the 10% limit under the Share Option Scheme.

The total number of shares issued and to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option schemes of the Company to each participant in any 12-month period up to the date of grant must not exceed 1% of the shares of the Company in issue at the date of grant. Any further grant of share options in excess of such limit is subject to the approval of shareholders in general meeting of the Company.

16 股本及購股權(續)

(b) 購股權(續)

購股權計劃之目的，是讓本公司吸引、挽留及激勵有才幹之參與者為本集團之未來發展及擴展積極努力，並使本公司能以更靈活之方式向參與者提供獎勵、獎賞、酬勞、報酬及／或福利。購股權計劃之合資格參與者包括本公司董事（包括執行董事及非執行董事）或本集團之僱員、顧問或專業諮詢人士、本公司之主要股東或其僱員、本公司之董事、最高行政人員或主要股東之任何聯繫人、本集團供應商或客戶之僱員或董事、本集團僱員或董事所設立之全權信託之任何全權受益人（由董事會在上述人士中全權酌情決定）。

購股權計劃及本公司採納之任何其他購股權計劃項下所有授出但尚未行使之購股權獲行使時，可予發行之最高股份數目合共不得超過本公司不時已發行股份之30%。購股權計劃及本公司任何其他購股權計劃項下所有將予授出之購股權獲行使時，可予發行之股份總數合共不得超過本公司於購股權採納日期已發行股份之10%，惟本公司可於股東大會上尋求股東批准，以更新購股權計劃下之10%限額。

於截至授出日期止任何十二個月期間，根據購股權計劃及本公司之任何其他購股權計劃授出之購股權獲行使時，已發行及將發行予每名參與者之股份總數不得超過本公司於授出日期已發行股份之1%。進一步授出超過此限額之購股權須經股東於本公司股東大會上批准。

16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

Share options granted under the Share Option Scheme to Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is also the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of such grant, are subject to shareholders' approval in general meeting of the Company.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Directors and ends on a date which is not later than 10 years from the date of the offer of the share options.

The exercise price of the share options will be at least the highest of (i) the closing price of the Company's shares as stated in daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer for grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer for grant, which must be a business day; and (iii) the nominal value of the Company's share.

On 30 July 2007, 9,500,000 share options were granted to certain Directors and employees at an exercise price of HK\$0.78 per share. The share options were exercisable immediately on the date of grant and will expire on 29 July 2017.

16 股本及購股權(續)

(b) 購股權(續)

根據購股權計劃向本公司董事、最高行政人員或主要股東或彼等任何聯繫人授出之購股權，須獲本公司獨立非執行董事(不包括身為購股權承授人之任何獨立非執行董事)批准。此外，於截至授出日期(包括該日)止任何十二個月期間，向本公司主要股東或獨立非執行董事或彼等任何聯繫人授出之任何購股權，倘若超過本公司於任何時間已發行股份之0.1%，或總值(根據本公司於各授出日期之股份收市價計算)超過港幣5,000,000元，則須經股東於本公司股東大會上批准。

承授人可於授出購股權當日起計28日內，支付象徵式代價港幣1元接納有關購股權。購股權之行使期可由董事釐定，由授出購股權當日起計10年內到期。

購股權之行使價將不低於下列之最高者(i)於授出購股權日期(該日必須為營業日)，本公司股份在香港聯合交易所有限公司(「聯交所」)每日報價表中所列之收市價；(ii)緊接授出購股權日期(該日必須為營業日)前五個營業日，本公司股份於聯交所每日報價表中所列之平均收市價；及(iii)本公司股份之面值。

於二零零七年七月三十日，若干董事及僱員獲授9,500,000份購股權，行使價為每股港幣0.78元。該等購股權於授出當日起即可行使，並將於二零一七年七月二十九日到期。

16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

Pursuant to an ordinary resolution passed by the shareholders of the Company at an extraordinary general meeting held on 9 December 2008, the 10% limit under the Share Option Scheme was refreshed ("Refreshment"). Upon the approval of the Refreshment, a maximum of 1,347,931,411 shares of the Company, being 10% of the issued share capital of the Company as at the date of approval of the Refreshment, may be issued upon exercise of the share options to be granted under the Share Option Scheme and all other share option schemes of the Company.

On 9 January 2009, 375,000,000 share options were granted to certain Directors and employees at an exercise price of HK\$0.157 per share subject to a vesting scale in four tranches of 25% each and the achievement of the Company's performance target as set out in the note below and these options will expire on 31 March 2017.

On 27 May 2011, the Company implemented a share consolidation on the basis that every five issued and unissued shares of HK\$0.1 each in the share capital of the Company were consolidated into one share of HK\$0.5 each. As a result, the exercise price and the number of outstanding share options granted under the Share Option Scheme were adjusted to reflect the effect of the Share Consolidation on 27 May 2011.

For the year ended 31 December 2012, 100,000 share options were exercised by an employee of the Group. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was approximately HK\$1.15. As at 31 December 2012, a total of 50,500,000 share options granted to certain Directors of the Company and employees of the Group were outstanding (2011: 56,000,000 share options).

No share options were granted during the year ended 31 December 2012.

16 股本及購股權(續)

(b) 購股權(續)

根據本公司股東於二零零八年十二月九日舉行之股東特別大會上通過之普通決議案，購股權計劃項下之10%限額已獲更新(「更新」)。批准更新後，本公司可於根據購股權計劃及本公司所有其他購股權計劃授出之購股權獲行使後，發行最高達1,347,931,411股本公司股份，即批准更新當日本公司已發行股本之10%。

於二零零九年一月九日，若干董事及僱員獲授375,000,000份購股權，行使價為每股港幣0.157元，惟需按四期各25%比例歸屬及達至本公司之表現目標(載於下文附註)，而該等購股權將於二零一七年三月三十一日到期。

於二零一一年五月二十七日，本公司實施股份合併，基準為每五股本公司股本中每股面值港幣0.1元之已發行及未發行股份合併為一股每股面值港幣0.5元之合併股份。因此，根據購股權計劃授出而尚未行使之購股權之行使價及數目已予以調整，以反映於二零一一年五月二十七日生效之股份合併之影響。

截至二零一二年十二月三十一日止年度，本集團一名僱員已行使100,000份購股權。緊接行使該等購股權日期前本公司股份之加權平均收市價為約港幣1.15元。於二零一二年十二月三十一日，本公司若干董事及本集團僱員獲授合共50,500,000份購股權(二零一一年：56,000,000份購股權)尚未行使。

截至二零一二年十二月三十一日止年度並無授出購股權。

16 Share Capital and Share Options (Continued)

16 股本及購股權(續)

(b) Share options (Continued)

Movements of the share options granted under the Share Option Scheme during the year ended 31 December 2012 were as follows:

Name	Date of Grant	Options held at 1 January 2012	Options exercised during the year	Options lapsed during the year	Options held at 31 December 2012	Exercise price per option HK\$	Exercise period
名稱	授出日期	於二零一二年一月一日持有之購股權	於本年度內行使之購股權	於年內失效之購股權	於二零一二年十二月三十一日持有之購股權	每份購股權之行使價港幣	行使期
Directors 董事							
Mr. Zhou Xiangyang (appointed on 12 December 2012)	周向陽先生 (於二零一二年十二月十二日獲委任)	09/01/2009	7,200,000	—	—	7,200,000	0.785 01/04/2011–31/03/2017
Mr. Jiang Deqing	姜德清先生	09/01/2009	7,200,000	—	—	7,200,000	0.785 01/04/2011–31/03/2017
Mr. Lam Ming Yung	林明勇先生	30/07/2007	400,000	—	—	400,000	3.900 30/07/2007–29/07/2017
		09/01/2009	1,000,000	—	—	1,000,000	0.785 01/04/2011–31/03/2017
Ms. Chen Chunhua	陳春花女士	30/07/2007	400,000	—	—	400,000	3.900 30/07/2007–29/07/2017
		09/01/2009	1,000,000	—	—	1,000,000	0.785 01/04/2011–31/03/2017
Mr. Cai Qiwu (resigned on 12 December 2012)	蔡其武先生 (於二零一二年十二月十二日辭任)	09/01/2009	13,600,000	—	(3,400,000)	10,200,000	0.785 01/04/2011–31/03/2017
Mr. Qu Fei (resigned on 12 December 2012)	瞿飛先生 (於二零一二年十二月十二日辭任)	09/01/2009	4,400,000	—	(1,100,000)	3,300,000	0.785 01/04/2011–31/03/2017
Employees 僱員							
In aggregate	合共	30/07/2007	700,000	—	—	700,000	3.900 30/07/2007–29/07/2017
		09/01/2009	20,100,000	(100,000)	(900,000)	19,100,000	0.785 01/04/2011–31/03/2017
Total	合計		56,000,000	(100,000)	(5,400,000)	50,500,000	

(b) 購股權(續)

於截至二零一二年十二月三十一日止年度內，根據購股權計劃授出之購股權變動如下：

16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

Notes:

The consideration for each of the grants above was HK\$1. The options granted on 9 January 2009 shall be exercisable during the option period subject to a vesting scale in four tranches of 25% each and the achievement of the performance target of the net profit attributable to the owners of the Company of the relevant period as set out below:

- The first 25% of the options granted to each grantee shall be exercisable within seven years after 31 March 2010 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2009 as disclosed in the final results announcement of the Company is not less than 100% of the net profit attributable to the owners of the Company for the financial year ended 31 December 2008 (excluding the results from discontinued business) ("Net Profit of 2008");
- The second 25% of the options granted to each grantee shall be exercisable within six years after 31 March 2011 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2010 as disclosed in the final results announcement of the Company is not less than 150% of the Net Profit of 2008;
- The third 25% of the options granted to each grantee shall be exercisable within five years after 31 March 2012 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2011 as disclosed in the final results announcement of the Company is not less than 200% of the Net Profit of 2008; and
- The remaining 25% of the options granted to each grantee shall be exercisable within four years after 31 March 2013 provided that the net profit attributable to the owners of the Company for the financial year ended 31 December 2012 as disclosed in the final results announcement of the Company is not less than 280% of the Net Profit of 2008.

The performance target for the financial year ended 31 December 2009, 2010, 2011 and 2012 had been achieved. All relevant options were exercisable to the Directors and employees respectively.

16 股本及購股權(續)

(b) 購股權(續)

附註：

上述授出購股權之代價為港幣1元。於二零零九年一月九日授出之購股權可於購股權期間行使，惟需按下列四期各25%比例歸屬及達至有關期間本公司擁有人應佔純利之表現目標：

- 首25%授予各承授人之購股權可於二零一零年三月三十一日以後七年內行使，惟需根據本公司全年業績公佈所披露截至二零零九年十二月三十一日止財政年度本公司擁有人應佔純利不少於截至二零零八年十二月三十一日止財政年度本公司擁有人應佔純利(不包括來自已終止經營業務之業績)(「二零零八年純利」)之100%；
- 次25%授予各承授人之購股權可於二零一一年三月三十一日以後六年內行使，惟需根據本公司全年業績公佈所披露截至二零一零年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之150%；
- 第三個25%授予各承授人之購股權可於二零一二年三月三十一日以後五年內行使，惟需根據本公司全年業績公佈所披露截至二零一一年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之200%；及
- 餘下25%授予各承授人之購股權可於二零一三年三月三十一日以後四年內行使，惟需根據本公司全年業績公佈所披露截至二零一二年十二月三十一日止財政年度本公司擁有人應佔純利不少於二零零八年純利之280%。

截至二零零九年、二零一零年、二零一一年及二零一二年十二月三十一日止財政年度之表現目標已達到。董事及僱員可行使所有相關購股權。

16 Share Capital and Share Options (Continued)

(b) Share options (Continued)

The fair values of the options granted are determined using the Binomial Valuation Model. ("the Model"). Key assumptions of the Model are set out below:

Options granted on 9 January 2009

Risk-free rate:	1.299%
Expected dividend yield:	3%
Expected volatility of the market price of the Company's shares:	52.34%
Expected option life:	8.2 years

Options granted on 30 July 2007

Risk-free rate:	4.13%
Expected dividend yield:	0%
Expected volatility of the market price of the Company's shares:	65.38%
Expected option life:	5.23 years

The Model requires the input of subjective assumptions, including the volatility of share price. As changes in subjective input assumptions can materially affect the fair value estimate, in the Directors' opinion, the Model does not necessarily provide a reliable single measure of the fair value of share options.

16 股本及購股權(續)

(b) 購股權(續)

授出之購股權之公允值採用「二項式估值模型」(「該模型」)釐定。該模型所採用之主要假設載列如下：

於二零零九年一月九日授出之購股權

無風險利率：	1.299%
預期股息率：	3%
本公司股份市價 預期波幅：	52.34%
預期購股權期限：	8.2年

於二零零七年七月三十日授出之購股權

無風險利率：	4.13%
預期股息率：	0%
本公司股份市價 預期波幅：	65.38%
預期購股權期限：	5.23年

該模型包括股價波幅等主觀假設成份。由於主觀假設之變更會嚴重影響估計公允值，故董事認為，該模型未必能為購股權公允值提供可靠之單一計算方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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17 Other Reserves

17 其他儲備

Group	Share premium	Statutory reserve fund	General reserve fund	Enterprise expansion fund	Share option reserve	Share-based payment reserve	Available-for-sale revaluation reserve	Exchange reserve	Merger reserve	Total	
本集團	股份溢價	法定儲備基金	一般儲備基金	企業發展基金	購股權儲備	以股份支付支出儲備	可供出售重估儲備	匯兌儲備	合併儲備	合計	
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
		Note (a) 附註(a)	Note (a) 附註(a)	Note (a) 附註(a)		Note (b) 附註(b)			Note (c) 附註(c)		
Balance at 1 January 2011	於二零一一年一月一日結餘	3,522,431	2,851	104,329	95,176	23,688	—	—	59,147	(3,223,623)	583,999
Employee share option scheme	僱員購股權計劃										
— value of services provided (note 25(a))	— 所提供服務之價值 (附註25(a))	—	—	—	—	3,136	—	—	—	—	3,136
— options lapsed (note 25(a))	— 已失效的購股權 (附註25(a))	—	—	—	—	(637)	—	—	—	—	(637)
— proceeds from shares issued	— 股份發行所得款項	998	—	—	—	—	—	—	—	—	998
— share issuance expenses	— 股份發行開支	(34)	—	—	—	—	—	—	—	—	(34)
Change in value of available-for-sale financial assets	可供出售金融資產價值變動	—	—	—	—	—	4,694	—	—	—	4,694
Currency translation differences	貨幣匯兌差異	—	—	—	—	—	—	104,459	—	—	104,459
Consideration paid for merger of a subsidiary under common control	合併共同控制下之附屬公司已付代價	—	—	—	—	—	—	—	—	(88,694)	(88,694)
Deemed contribution from ultimate holding company arising from its acquisition of non-controlling interests	最終控股公司收購非控股權益所產生的視作貢獻	—	—	—	—	—	—	—	—	54,304	54,304
Transfer to statutory reserve	轉撥至法定儲備	—	302	18,797	18,797	—	—	—	—	—	37,896
Balance at 31 December 2011	於二零一一年十二月三十一日結餘	3,523,395	3,153	123,126	113,973	26,187	—	4,694	163,606	(3,258,013)	700,121
Balance at 1 January 2012	於二零一二年一月一日結餘	3,523,395	3,153	123,126	113,973	26,187	—	4,694	163,606	(3,258,013)	700,121
Contribution by owners relating to share-based payment (note(b))	有關擁有人以股份為基礎支付的貢獻(附註(b))	—	—	—	—	—	19,423	—	—	—	19,423
Employee share option scheme	僱員購股權計劃										
— value of services provided (note 25(a))	— 所提供服務之價值 (附註25(a))	—	—	—	—	959	—	—	—	—	959
— options lapsed (note 25(a))	— 已失效的購股權 (附註25(a))	—	—	—	—	(1,514)	—	—	—	—	(1,514)
— proceeds from shares issued	— 股份發行所得款項	25	—	—	—	—	—	—	—	—	25
— share issuance expenses	— 股份發行開支	(3)	—	—	—	—	—	—	—	—	(3)
Change in value of available-for-sale financial assets	可供出售金融資產價值變動	—	—	—	—	—	—	5,518	—	—	5,518
Currency translation differences	貨幣匯兌差異	—	—	—	—	—	—	—	1,141	—	1,141
Transfer to statutory reserve	轉撥至法定儲備	—	2,088	22,706	22,706	—	—	—	—	—	47,500
Balance at 31 December 2012	於二零一二年十二月三十一日結餘	3,523,417	5,241	145,832	136,679	25,632	19,423	10,212	164,747	(3,258,013)	773,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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17 Other Reserves (Continued)

17 其他儲備(續)

Company		Share premium	Share option reserve	Exchange reserve	Other reserve Total	Retained earnings	Total
本公司		股份溢價	購股權儲備	匯兌儲備	其他儲備總額	保留盈利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Balance at 1 January 2011	於二零一一年一月一日結餘	3,522,431	23,688	247,966	3,794,085	124,940	3,919,025
Profit for the year	年度利潤	—	—	—	—	109,316	109,316
Employee share option scheme	僱員購股權計劃						
— value of services provided (note 25(a))	— 所提供服務之價值 (附註25(a))	—	3,136	—	3,136	—	3,136
— options lapsed (note 25(a))	— 已失效的購股權 (附註25(a))	—	(637)	—	(637)	—	(637)
— proceeds from shares issued	— 股份發行所得款項	998	—	—	998	—	998
— share issuance expenses	— 股份發行開支	(34)	—	—	(34)	—	(34)
Dividend relating to 2010	二零一零年度股息	—	—	—	—	(112,725)	(112,725)
Currency translation differences	貨幣匯兌差異	—	—	264,144	264,144	—	264,144
Balances at 31 December 2011	於二零一一年十二月三十一日結餘	3,523,395	26,187	512,110	4,061,692	121,531	4,183,223
Balance at 1 January 2012	於二零一二年一月一日結餘	3,523,395	26,187	512,110	4,061,692	121,531	4,183,223
Profit for the year	年度利潤	—	—	—	—	152,496	152,496
Employee share option scheme	僱員購股權計劃						
— value of services provided (note 25(a))	— 所提供服務之價值 (附註25(a))	—	959	—	959	—	959
— options lapsed (note 25(a))	— 已失效的購股權 (附註25(a))	—	(1,514)	—	(1,514)	—	(1,514)
— proceeds from shares issued	— 股份發行所得款項	25	—	—	25	—	25
— share issuance expenses	— 股份發行開支	(3)	—	—	(3)	—	(3)
Dividend relating to 2011	二零一一年度股息	—	—	—	—	(112,865)	(112,865)
Currency translation differences	貨幣匯兌差異	—	—	(1,246)	(1,246)	—	(1,246)
Balances at 31 December 2012	於二零一二年十二月三十一日結餘	3,523,417	25,632	510,864	4,059,913	161,162	4,221,075

17 Other Reserves (Continued)

- (a) The Company's PRC subsidiaries are required to follow the laws and regulations of the PRC and their articles of association. These subsidiaries are required to provide for certain statutory funds, namely, general reserve fund and enterprise expansion fund, which are appropriated from net profit after taxation but before dividend distribution based on the local statutory accounts prepared in accordance with accounting principles and relevant financial regulations applicable to enterprises established in the PRC. These PRC subsidiaries are required to allocate at least 10% of its net profit to the reserve fund until the balance of such fund has reached 50% of its registered capital. Such appropriations are determined at the discretion of the directors. The general reserve fund can only be used, upon approval by the relevant authority, to offset accumulated deficit or increase capital.
- (b) Midea, the intermediate holding company of the Company, implemented an incentive share plan for core management staff of Midea and its major subsidiaries during the year ended 31 December 2012, under which Foshan Shunde Midea Investment Holding Co., Ltd ("Shunde Midea"), the controlling shareholder of Midea, transferred its equity interest in Ningbo Meicheng Equity Investment Partnership ("Ningbo Meicheng") to the participants to the said incentive share plan. Ningbo Meicheng holds an aggregate interest of 3% (representing 30 million shares) in the share capital of Midea. Further to the arrangement of the incentive share plan, Shunde Midea transferred 3% of its equity interest in Ningbo Meicheng to two executive Directors of the Company, namely, Mr Zhou Xiangyang and Mr. Jiang Deqing on 22 November 2012.

17 其他儲備(續)

- (a) 本公司在中國之附屬公司須遵守中國法律及法規，以及彼等之組織章程細則。該等附屬公司須提供若干法定基金，分別為一般儲備基金及企業發展基金，均自除稅後但未計股息分派之純利中提取。該純利根據按中國內地企業適用之會計原則及相關財務法規而編製之國內法定賬目計算。此等中國附屬公司須將其純利最少10%分配至儲備基金，直至該儲備基金結餘達至其註冊資本之50%為止。此等撥款由董事酌情釐定。一般儲備基金僅在有有關當局批准後始可用作抵銷累計虧損或增加資本。
- (b) 截至二零一二年十二月三十一日止年度，本公司中間控股公司美的為其本身及主要附屬公司核心管理人員實行管理團隊持股計劃，據此，美的之控股股東佛山市順德區美的投資控股有限公司（「順德美的」）將其持有寧波美晟股權投資合伙企業（「寧波美晟」）的股權轉讓予上述管理團隊持股計劃的參與者。寧波美晟持有美的的股本合共3%的權益（相當於30,000,000股股份）。而在管理團隊持股計劃的安排內，順德美的亦於二零一二年十一月二十二日將其持有寧波美晟的3%股權轉讓予本公司兩名執行董事周向陽先生及姜德清先生。

17 Other Reserves (Continued)

(b) (Continued)

Since the Company has no obligation to settle the above share-based payment transaction granted by Shunde Midea, the difference between the fair value of the shares transferred and the cash consideration paid for such shares amounting to HK\$19,423,000 was treated as an equity-settled share-based payment. Award of the said shares were vested immediately and this share-based payment were recognised as expenses in the Group's consolidated income statement. The Group accounted for the shares granted to its Directors as a contribution from its ultimate holding company and credited it to share-based payment reserve. The fair value of the shares transferred as estimated by management using market approach by referencing the market capitalisation and Price/Earnings multiple for the listed and unlisted subsidiaries controlled by Midea respectively.

- (c) Merger reserve represents the difference between the consideration paid for the acquisition under common control, and the aggregate nominal value of share capital/paid-up capital of the subsidiaries comprising the Group contributed by the owners of the Company.

18 Borrowings

17 其他儲備(續)

(b) (續)

由於本公司無責任支付順德美的授出上述以股份為基礎支付的交易，故此獲轉讓股份的公允價值與已付有關股份現金代價之差額港幣19,423,000元已被視為以權益結算以股份為基礎的支付。上述授出的股份已即時歸屬，而以股份為基礎的支付於本集團綜合收益表內確認為開支。本集團將授予其董事的股份以其最終控股公司作出的貢獻入賬，並計入以股份為基礎的支付儲備。獲轉讓股份的公允價值按管理層的估計利用市場價格比較法，並參照美的分別控制的上市及非上市附屬公司的市值與市盈率予以釐定。

- (c) 合併儲備指在共同控制下收購所付之代價與本公司擁有人注入本集團成員附屬公司之股本／繳足股本之面值總額之差額。

18 借款

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Non-current	非即期		
Long-term bank borrowings, unsecured	長期銀行借款 — 無抵押	129,188	94,395
Current	即期		
Short-term bank borrowings, unsecured	短期銀行借款 — 無抵押	306,714	239,121
		435,902	333,516

18 Borrowings (Continued)

At 31 December 2012, the Group's bank borrowings were repayable as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Within one year	一年內	306,714	239,121
1 to 2 years	一至兩年	86,125	94,395
2 to 3 years	兩至三年	43,063	—
		435,902	333,516

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates are as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Borrowings with fixed rate subject to repricing date as:	定息借款之重新定價日期：		
6 months or less	六個月或以下	49,328	12,335
6 months to 1 year	六個月至一年	—	49,340
Over 1 year	一年以上	—	74,010
		49,328	135,685
Borrowings with floating rate as:	浮息借款：		
6 months or less	六個月或以下	214,323	97,627
6 months to 1 year	六個月至一年	43,063	79,819
Over 1 year	一年以上	129,188	20,385
		386,574	197,831
		435,902	333,516

18 借款(續)

於二零一二年十二月三十一日，本集團銀行借款之還款情況如下：

本集團之借款面臨之利率變動風險及合約重新定價日期如下：

18 Borrowings (Continued)

The effective interest rates of the above floating rate borrowings at the end of the reporting period were 2.42% per annum (2011: 2.39% per annum).

Leasehold land and land use rights with net book value of HK\$44,937,000 (2011: HK\$46,102,000) and property, plant and equipment with net book value of HK\$53,126,000 (2011: HK\$43,253,000) have been pledged as security for the Group's banking facilities (notes 6 and 7).

The carrying amount of bank borrowings approximate their fair value, as the impact of discounting is not significant.

The carrying amounts of the borrowings are denominated in the following currencies.

18 借款(續)

於報告期間完結時，上述浮息借款之實際年利率為2.42% (二零一一年：年利率2.39%)。

賬面淨值港幣44,937,000元(二零一一年：港幣46,102,000元)之租賃土地及土地使用權，以及賬面淨值港幣53,126,000元(二零一一年：港幣43,253,000元)之物業、廠房及設備已作為本集團銀行授信之抵押(附註6及7)。

由於貼現影響有限，銀行借款之賬面值與其公允值相若。

借款之賬面值以下列貨幣列值。

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
RMB	人民幣	49,328	140,619
HK\$	港幣	—	60,000
USD	美元	293,015	132,897
EUR	歐元	93,559	—
		435,902	333,516

19 Deferred Government Grant

19 遞延政府補貼

		Group 本集團 HK\$'000 港幣千元
At 1 January 2011	於二零一一年一月一日	—
Government grant relating to purchase of leasehold land and land use rights	購買租賃土地及 土地使用權之政府補貼	23,620
Credit to income statement	計入收益表	(465)
Exchange difference	匯兌差額	127
At 31 December 2011	於二零一一年十二月三十一日	23,282
At 1 January 2012	於二零一二年一月一日	23,282
Credit to income statement	計入收益表	(473)
Exchange difference	匯兌差額	(7)
At 31 December 2012	於二零一二年十二月三十一日	22,802

The amount represented subsidy granted by local government authority in the PRC relating to acquisition of leasehold land and land use rights amounted to RMB19,260,000 (HK\$23,757,000) in 2011.

於二零一一年有關金額指中國當地政府機關為收購租賃土地及土地使用權提供之補貼，金額為人民幣19,260,000元(港幣23,757,000元)。

20 Trade and Other Payables

20 貿易及其他應付款

		Group 本集團		Company 本公司	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元	2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Trade payables (note (a))	貿易應付款(附註(a))	1,163,759	1,201,394	—	—
Notes payable (notes (a),(b))	應付票據(附註(a),(b))	1,409,466	1,407,935	—	—
		2,573,225	2,609,329	—	—
Provision for staff welfare and bonus	員工福利及花紅撥備	153,699	145,087	—	—
Accruals	預提費用	30,713	41,682	2,285	2,591
Advances from customers	預收客戶賬款	4,025	12,584	—	—
Other payables	其他應付款	213,777	202,821	—	—
Others	其他	1,048	550	—	—
		2,976,487	3,012,053	2,285	2,591

(a) The ageing analysis of the trade payables and notes payable of the Group was as follows:

(a) 本集團之貿易應付款及應付票據之賬齡分析如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Within 3 months	三個月以內	1,488,073	1,540,416
3 to 6 months	三至六個月	1,027,804	1,051,116
Over 6 months	六個月以上	57,348	17,797
		2,573,225	2,609,329

The balance represents non-interest bearing bank acceptance notes issued by the Group with maturity periods of less than six months. As at 31 December 2012, certain notes payable were pledged by bank deposits of approximately HK\$139,598,000 (2011: HK\$192,887,000) (note 14).

有關結餘為本集團發出不計息銀行承兌票據，到期期限少於六個月。於二零一二年十二月三十一日，若干應付票據以銀行存款約港幣139,598,000元(二零一一年：港幣192,887,000元)作為抵押(附註14)。

21 Derivative Financial Instruments

21 衍生金融工具

		Group 本集團			
		2012 二零一二年		2011 二零一一年	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Commodity futures contracts (a)	商品期貨合約(a)	8,214	59	1,682	240
Foreign exchange forward contracts (b)	外匯遠期合約(b)	6,783	8,854	15,110	—
		14,997	8,913	16,792	240

(a) The Group has entered into various copper and aluminum futures contracts to manage the fluctuation of copper and aluminum price which did not meet the criteria for hedge accounting. Changes in the fair value of the non-hedging copper and aluminum futures contracts amounting to approximately HK\$24,042,000 (note 23) were credited to the consolidated income statement during the year (2011: HK\$3,181,000).

The notional principal amounts of outstanding commodity futures contract as at 31 December 2012 were HK\$220,222,000 (2011: HK\$174,706,000).

(b) The Group has entered into various foreign exchange forward contracts to manage the fluctuation of foreign currencies which did not meet the criteria for hedge accounting. Changes in the fair value of non-hedging foreign exchange forward contracts amounting to approximately HK\$20,124,000 (note 23), were credited to the consolidated income statement during the year (2011: HK\$22,391,000).

The notional principal amounts of the outstanding forward foreign exchange contracts as at 31 December 2012 were HK\$1,129,844,000 (2011: HK\$1,095,902,000).

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the consolidated statement of financial position.

(a) 本集團已訂立多項銅及鋁期貨合約，藉以管理銅及鋁價格波動，但不符合資格作對沖會計處理。非作對沖之銅及鋁期貨合約之公允值變動約港幣24,042,000元(附註23)，於年內計入綜合收益表(二零一一年：港幣3,181,000元)。

於二零一二年十二月三十一日並未結算商品期貨合約之名義本金金額為港幣220,222,000元(二零一一年：港幣174,706,000元)。

(b) 本集團已訂立多項外匯遠期合約，藉以管理外匯波動，但不符合資格作對沖會計處理。非作對沖之外匯遠期合約之公允值變動約港幣20,124,000元(附註23)，於年內計入綜合收益表(二零一一年：港幣22,391,000元)。

於二零一二年十二月三十一日並未結算外匯遠期合約之名義本金金額為港幣1,129,844,000元(二零一一年：港幣1,095,902,000元)。

於報告日期之最大信貸風險為衍生資產於綜合財務狀況表之公允值。

22 Deferred Income Tax – Group

Deferred income tax is calculated in full on temporary differences under the liability method using taxation rates applicable to the companies comprising the Group.

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

22 遞延所得稅 — 本集團

遞延所得稅採用負債法就暫時差異按本集團旗下公司適用之稅率悉數計算。

遞延所得稅資產及遞延所得稅負債之分析如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Deferred income tax liabilities:	遞延所得稅負債：		
— Deferred income tax liabilities to be released after more than 12 months	— 於十二個月以上解除之遞延所得稅負債	67,761	47,823
— Deferred income tax liabilities to be released within 12 months	— 於十二個月內解除之遞延所得稅負債	26,641	25,726
		94,402	73,549
Deferred income tax assets:	遞延所得稅資產：		
— Deferred income tax assets to be recovered within 12 months	— 於十二個月內收回之遞延所得稅資產	39,567	38,853

22 Deferred Income Tax – Group (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities:

		Undistributed profits of PRC subsidiaries 中國附屬公司 之未分派利潤	Fair value gain 公允值收益	Revaluation of assets 重估資產	Total 合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2011	於二零一一年一月一日	46,893	3,880	—	50,773
Charged/(credited) to consolidated income statement	於綜合收益表內扣除 ／(計入)	27,436	(1,521)	(189)	25,726
Payment of withholding tax	繳付預扣稅	(13,613)	—	—	(13,613)
Acquisition of a subsidiary	收購附屬公司	—	—	7,714	7,714
Exchange differences	匯兌差異	2,749	160	40	2,949
At 31 December 2011	於二零一一年 十二月三十一日	63,465	2,519	7,565	73,549
Charged/(credited) to consolidated income statement	於綜合收益表內扣除 ／(計入)	27,682	(268)	(773)	26,641
Payment of withholding tax	繳付預扣稅	(5,838)	—	—	(5,838)
Exchange differences	匯兌差異	56	(2)	(4)	50
At 31 December 2012	於二零一二年 十二月三十一日	85,365	2,249	6,788	94,402

22 遞延所得稅 — 本集團(續)

未經考慮在相同稅務司法權區內抵銷結餘前，遞延所得稅資產及負債於年內之變動如下：

遞延所得稅負債：

22 Deferred Income Tax – Group (Continued)

Deferred income tax assets:

		Impairment losses	Fair value losses	Unpaid accruals	Deferred government grant	Total
		減值虧損	公允值虧損	未計預提費用	遞延政府補貼	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2011	於二零一一年一月一日	6,446	—	25,808	—	32,254
Credited/(charged) to consolidated income statement	於綜合收益表內計入/(扣除)	2,976	35	(3,815)	5,700	4,896
Exchange differences	匯兌差異	382	1	1,199	121	1,703
At 31 December 2011	於二零一一年十二月三十一日	9,804	36	23,192	5,821	38,853
Credited/(charged) to consolidated income statement	於綜合收益表內計入/(扣除)	(2,925)	1,297	1,378	971	721
Exchange differences	匯兌差異	(12)	5	(1)	1	(7)
At 31 December 2012	於二零一二年十二月三十一日	6,867	1,338	24,569	6,793	39,567

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$29,000 (2011: HK\$648,000) in respect of losses amounting to HK\$116,000 (2011: HK\$2,590,000) that can be carried forward against future taxable income. Such losses will expire in 2016.

Deferred income tax liabilities have been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of all subsidiaries.

22 遞延所得稅 — 本集團(續)

遞延所得稅資產：

		Impairment losses	Fair value losses	Unpaid accruals	Deferred government grant	Total
		減值虧損	公允值虧損	未計預提費用	遞延政府補貼	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2011	於二零一一年一月一日	6,446	—	25,808	—	32,254
Credited/(charged) to consolidated income statement	於綜合收益表內計入/(扣除)	2,976	35	(3,815)	5,700	4,896
Exchange differences	匯兌差異	382	1	1,199	121	1,703
At 31 December 2011	於二零一一年十二月三十一日	9,804	36	23,192	5,821	38,853
Credited/(charged) to consolidated income statement	於綜合收益表內計入/(扣除)	(2,925)	1,297	1,378	971	721
Exchange differences	匯兌差異	(12)	5	(1)	1	(7)
At 31 December 2012	於二零一二年十二月三十一日	6,867	1,338	24,569	6,793	39,567

倘日後可透過應課稅利潤變現有關稅項得益，方會確認遞延所得稅資產為結轉稅項虧損。本集團就其港幣116,000元(二零一一年：港幣2,590,000元)虧損可結轉抵銷應課稅收入，而沒有確認港幣29,000元(二零一一年：港幣648,000元)為遞延所得稅資產。該等虧損的期限為二零一六年。

對於所有附屬公司未匯出盈利應繳納的預扣稅及其他稅項已確認遞延所得稅負債。

23 Other Gains — Net

23 其他收益 — 淨額

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Government grants (i)	政府補貼(i)	15,952	9,802
Derivative financial instruments:	衍生金融工具：		
— fair value gain on commodity futures contracts not qualified for hedge accounting (note 21(a))	— 不符合資格作對沖會計處理之商品期貨合約公允值收益 (附註21(a))	24,042	3,181
— fair value gain on foreign exchange forward contracts not qualified for hedge accounting (note 21(b))	— 不符合資格作對沖會計處理之外匯遠期合約公允值收益 (附註21(b))	20,124	22,391
Dividend income from available-for-sale financial assets	可供出售金融資產的股息收入	2,552	—
Exchange gain/(loss)	匯兌收益/(虧損)	7,065	(24,309)
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損	(5,485)	(4,569)
Penalty income	罰款收入	5,726	6,534
Others	其他	1,572	1,779
		71,548	14,809

(i) The amount represents the subsidy granted by and received from local government authorities in the PRC for encouragement of export and tax rebate.

(i) 有關金額指收到中國當地政府機關為鼓勵出口提供之補貼及退稅。

24 Expenses by Nature

Expenses included in cost of goods sold, selling and marketing costs and administrative expenses are analysed as follows:

24 按性質分類之開支

包括在銷售貨品成本、銷售及市場推廣成本及行政開支的開支分析如下：

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Cost of inventories recognised as expense (note 12)	確認為開支之存貨成本(附註12)	5,624,032	7,254,782
Employee benefit expenses (note 25(a))	僱員福利開支(附註25(a))	828,425	796,209
Depreciation (note 7)	折舊(附註7)	135,676	105,989
Amortisation of leasehold land and land use rights (note 6)	租賃土地及土地使用權攤銷(附註6)	4,542	3,660
Amortisation of intangible assets (note 8)	無形資產攤銷(附註8)	3,083	757
(Reversal of)/provision for impairment of trade and other receivables-net (note 13(c))	貿易及其他應收款減值(撥回)/撥備 — 淨額(附註13(c))	(3,209)	16,394
Reversal of impairment of inventories — net (note 12)	存貨減值撥回 — 淨額(附註12)	(7,671)	(4,935)
Operating leases rental for land and buildings	土地及樓宇經營租賃租金	13,032	16,323
Auditors' remuneration	核數師酬金	3,431	3,800
Research and development costs	研究及開發成本	8,507	14,140

25 Employee Benefit Expenses

(a)

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Wages and salaries	工資及薪金	653,007	656,095
Pension costs (i)	退休金成本(i)	42,599	33,964
Medical benefits	醫療福利	20,106	17,653
Share option scheme - value of services provided (note 17)	購股權計劃 — 所提供服務之價值 (附註17)	959	3,136
Share option scheme - options lapsed (note 17)	購股權計劃 — 已失效的購股權 (附註17)	(1,514)	(637)
Share-based payment granted by the ultimate holding company (note 17(b))	最終控股公司授出以股份為基礎的支付(附註17(b))	19,423	—
Other allowances and benefits	其他津貼及福利	93,845	85,998
		828,425	796,209

(i) The Group has arranged for its Hong Kong employees to join the MPF Scheme. Under the MPF Scheme, each of the Group companies (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund Legislation. The contributions from each of the employers and employees are subject to a cap of HK\$1,250 per month (HK\$1,000 on or before 31 May 2012) and thereafter contributions are voluntary.

The Company's subsidiaries established in the PRC participate in the local retirement schemes of the PRC. Pursuant to the relevant regulations, the Group is currently required to make a monthly contribution equivalent to 15% to 28% of the monthly salaries in respect of its full-time and temporary employees.

25 僱員福利開支

(a)

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Wages and salaries	工資及薪金	653,007	656,095
Pension costs (i)	退休金成本(i)	42,599	33,964
Medical benefits	醫療福利	20,106	17,653
Share option scheme - value of services provided (note 17)	購股權計劃 — 所提供服務之價值 (附註17)	959	3,136
Share option scheme - options lapsed (note 17)	購股權計劃 — 已失效的購股權 (附註17)	(1,514)	(637)
Share-based payment granted by the ultimate holding company (note 17(b))	最終控股公司授出以股份為基礎的支付(附註17(b))	19,423	—
Other allowances and benefits	其他津貼及福利	93,845	85,998
		828,425	796,209

(i) 本集團已安排其香港僱員參加強積金計劃。根據強積金計劃，集團旗下每間公司(僱主)及其僱員須按強制性公積金法例規定，每月將僱員入息之5%作為計劃供款。僱主及僱員各自之供款上限為每月港幣1,250元(在二零一二年五月三十一日或以前為港幣1,000元)，其後均為自願供款。

本公司於中國成立之附屬公司均參與中國本地退休金計劃。根據有關規例，本集團現須每月支付相當於全職及臨時僱員月薪15%至28%之供款。

25 Employee Benefit Expenses (Continued)

(b) Directors' and senior managements' emoluments

The remuneration of the Directors for the year ended 31 December 2012 is set out below:

Name of Director	Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	酌情花紅	其他福利(i)	退休金計劃之僱主供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors						
執行董事						
Mr. Zhou Xiangyang (ii)	—	617	2,409	11,402	8	14,436
Mr. Jiang Deqing	—	494	2,082	9,244	8	11,828
Mr. Lu Xiaoji (ii)	—	367	870	—	8	1,245
Mr. Li Yang (ii)	—	394	870	—	8	1,272
Ms. Yuan Liqun	—	—	—	—	—	—
Mr. Li Feide (iii)	—	—	—	—	—	—
Mr. Cai Qiwu (iv)	—	859	3,011	1,157	5	5,032
Mr. Qu Fei (iv)	—	335	482	374	5	1,196
Mr. Chen Jianhong (v)	—	336	1,108	—	5	1,449
Mr. Li Jianwei (iv)	—	—	—	—	—	—
Mr. Zheng Weikang (iv)	—	240	—	—	—	240
Independent non-executive Directors						
獨立非執行董事						
Mr. Tan Jinsong	180	—	—	—	—	180
Mr. Lam Ming Yung	180	—	—	85	—	265
Ms. Chen Chunhua	180	—	—	85	—	265
	540	3,642	10,832	22,347	47	37,408

25 僱員福利開支(續)

(b) 董事及高級管理人員酬金

董事於截至二零一二年十二月三十一日止年度之酬金載列如下：

25 Employee Benefit Expenses (Continued)

(b) Directors' and senior managements' emoluments (Continued)

The remuneration of the directors for the year ended 31 December 2011 is set out below:

Name of Director	Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution to pension scheme	Total
姓名	袍金	薪金	酌情花紅	其他福利(i)	退休金計劃之僱主供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors 執行董事						
Mr. Cai Qiwu (iv)	—	1,272	2,416	1,150	6	4,844
Mr. Jiang Deqing	—	495	1,209	609	6	2,319
Mr. Qu Fei (iv)	—	404	869	372	6	1,651
Mr. Chen Jianhong (v)	—	435	841	—	6	1,282
Ms. Yuan Liqun	—	—	—	—	—	—
Mr. Li Jianwei (iv)	—	—	—	—	—	—
Mr. Zheng Weikang (iv)	—	60	—	—	—	60
Mr. Gao Fazhong (vi)	—	7	—	423	1	431
Independent non-executive Directors 獨立非執行董事						
Mr. Tan Jinsong	180	—	—	—	—	180
Mr. Lam Ming Yung	180	—	—	85	—	265
Ms. Chen Chunhua	180	—	—	85	—	265
	540	2,673	5,335	2,724	25	11,297

- (i) Other benefits include leave pay, share options and share-based payment granted by the ultimate holding company of the Company as disclosed in note 16(b) and note 17(b) to the consolidated financial statement.
- (ii) Mr. Zhou Xiangyang, Mr. Lu Xiaoji and Mr. Li Yang were senior management of the Group and appointed as executive Directors of the Company on 12 December 2012.
- (iii) Mr. Li Feide was appointed as an executive Director of the Company on 12 December 2012.
- (iv) Mr. Cai Qiwu, Mr. Qu Fei, Mr. Li Jianwei and Mr. Zheng Weikang resigned as executive Director of the Company on 12 December 2012.

25 僱員福利開支(續)

(b) 董事及高級管理人員酬金(續)

董事於截至二零一一年十二月三十一日止年度之酬金載列如下：

Name of Director	Fees	Salary	Discretionary bonuses	Other benefits (i)	Employer's contribution to pension scheme	Total
姓名	袍金	薪金	酌情花紅	其他福利(i)	退休金計劃之僱主供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors 執行董事						
Mr. Cai Qiwu (iv)	—	1,272	2,416	1,150	6	4,844
Mr. Jiang Deqing	—	495	1,209	609	6	2,319
Mr. Qu Fei (iv)	—	404	869	372	6	1,651
Mr. Chen Jianhong (v)	—	435	841	—	6	1,282
Ms. Yuan Liqun	—	—	—	—	—	—
Mr. Li Jianwei (iv)	—	—	—	—	—	—
Mr. Zheng Weikang (iv)	—	60	—	—	—	60
Mr. Gao Fazhong (vi)	—	7	—	423	1	431
Independent non-executive Directors 獨立非執行董事						
Mr. Tan Jinsong	180	—	—	—	—	180
Mr. Lam Ming Yung	180	—	—	85	—	265
Ms. Chen Chunhua	180	—	—	85	—	265
	540	2,673	5,335	2,724	25	11,297

- (i) 其他福利包括有薪假期、購股權及本公司最終控股公司以股份支付支出(如綜合財務報表附註16(b)及附註17(b)所披露)。
- (ii) 周向陽先生、呂曉繼先生及李楊先生為本集團的高級管理層，於二零一二年十二月十二日獲委任為本公司執行董事。
- (iii) 李飛德先生於二零一二年十二月十二日獲委任為本公司執行董事。
- (iv) 蔡其武先生、瞿飛先生、栗建偉先生及鄭偉康先生於二零一二年十二月十二日辭任本公司執行董事。

25 Employee Benefit Expenses (Continued)

(b) Directors' and senior managements' emoluments (Continued)

- (v) Mr. Chen Jianhong was appointed as an executive Director of the Company on 15 March 2012 and resigned on 12 December 2012.
- (vi) Mr. Gao Fazhong resigned as an executive Director of the Company on 15 March 2012.

The remuneration of the key management for the year ended 31 December 2012 is set out below:

25 僱員福利開支(續)

(b) 董事及高級管理人員酬金(續)

- (v) 陳建紅先生於二零一二年三月十五日獲委任為本公司執行董事，並於二零一二年十二月十二日辭任。
- (vi) 鄧發忠先生於二零一二年三月十五日辭任本公司執行董事。

截至二零一二年十二月三十一日止年度的主要管理層酬金載列如下：

		The Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Salaries and other employee benefits	薪金及其他僱員福利	22,782	13,149
Share-based payments granted by the ultimate holding company of the Company	本公司最終控股公司授出以股份為基礎的支付	19,423	—
Share options granted by the Company	本公司授出的購股權	712	1,868
		42,917	15,017

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year which include three Directors (2011: three) whose emoluments are disclosed in the analysis presented above. The emoluments paid to the remaining two (2011: two) individuals during the year are as follows:

(c) 五名最高薪酬人士

本年度集團內五名最高薪酬人士包括三名(二零一一年：三名)董事，其酬金已載於上文分析。本年度應付餘下兩名(二零一一年：兩名)人士之酬金如下：

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Basic salaries, housing allowances, share options, other allowances and benefits in kind	基本薪金、房屋津貼、購股權、其他津貼及實物利益	3,320	5,314
Contribution to pension schemes	退休金計劃供款	74	61
		3,394	5,375

25 Employee Benefit Expenses (Continued)

(c) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

Emolument bands 酬金組別		Number of individuals 人數	
		2012 二零一二年	2011 二零一一年
HK\$1,000,000 — HK\$2,000,000	港幣1,000,000元 — 港幣2,000,000元	2	1
HK\$2,000,001 — HK\$4,000,000	港幣2,000,001元 — 港幣4,000,000元	—	1

25 僱員福利開支(續)

(c) 五名最高薪酬人士(續)

酬金屬以下組別之人數如下：

26 Finance Costs — Net

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Interest expense	利息開支	(15,046)	(49,370)
Exchange loss	匯兌虧損	(16,777)	(12,219)
Finance cost	融資成本	(31,823)	(61,589)
Finance income — interest income on bank deposit	融資收入 — 銀行存款之 利息收入	6,192	10,047
Net finance costs	融資成本淨額	(25,631)	(51,542)

26 融資成本 — 淨額

27 Income Tax Expense

(i) Macao and British Virgin Islands profits tax

The Group has not been subject to any taxation in these jurisdictions for the year ended 31 December 2012 (2011: Nil).

(ii) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not have any assessable profit in Hong Kong for the year ended 31 December 2012 (2011: Nil).

27 所得稅開支

(i) 澳門及英屬處女群島利得稅

本集團於截至二零一二年十二月三十一日止年度毋須支付此等司法管轄區的任何稅項(二零一一年：無)。

(ii) 香港利得稅

由於本集團於截至二零一二年十二月三十一日止年度並無在香港賺取應課稅盈利(二零一一年：無)，因此並無作出香港利得稅撥備。

27 Income Tax Expense (Continued)

(iii) PRC Corporate Income Tax

Group companies registered in the PRC are subject to PRC Corporate Income Tax ("CIT"). According to the new CIT effective from 1 January 2008, all PRC enterprises are subject to a standard enterprise income tax rate of 25%, except for enterprises under specific preferential policies and provisions are discussed as follows.

Welling Washer has been eligible to high technology enterprises CIT incentive starting from year 2011 to year 2013. The applicable preferential tax rate of high technology enterprises is 15% for the year ended 31 December 2012 (2011: 15%).

GD Welling and Wuhu Welling have been eligible to high technology enterprises CIT incentive starting from year 2008 to year 2013. The applicable preferential tax rate of high technology enterprises is 15% for the year ended 31 December 2012 (2011: 15%).

Huaian Welling has been eligible to high technology enterprises CIT incentive starting from year 2010 to year 2012. The applicable preferential tax rate of high technology enterprises is 15% for the year ended 31 December 2012 (2011: 15%).

27 所得稅開支(續)

(iii) 中國企業所得稅

本集團在中國註冊的公司須繳納中國企業所得稅(「企業所得稅」)。根據由二零零八年一月一日起生效的新中國企業所得稅，除企業受惠於以下所述的特定優惠稅率及規定外，所有中國公司須繳納25%標準企業所得稅率。

威靈洗滌由二零一一年至二零一三年間符合企業所得稅獎勵措施中屬高新科技企業類別資格。截至二零一二年十二月三十一日止年度，高新科技企業之可用優惠稅率為15%(二零一一年：15%)。

廣東威靈與蕪湖威靈由二零零八年至二零一三年間符合企業所得稅獎勵措施中屬高新科技企業類別資格。截至二零一二年十二月三十一日止年度，高新科技企業之可用優惠稅率為15%(二零一一年：15%)。

淮安威靈由二零一零年至二零一二年間符合企業所得稅獎勵措施中屬高新科技企業類別資格。截至二零一二年十二月三十一日止年度，高新科技企業之可用優惠稅率為15%(二零一一年：15%)。

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Current tax	即期稅項		
— PRC corporate income tax	— 中國企業所得稅	121,750	123,301
— Adjustments in respect of prior years	— 就過往年度作出調整	—	(1,000)
— Tax paid for transfer of share	— 就股權轉讓支付稅項	—	3,335
		121,750	125,636
Deferred income tax	遞延所得稅項	25,920	20,494
Income tax expense	所得稅開支	147,670	146,130

27 Income Tax Expense (Continued)

(iii) PRC Corporate Income Tax (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the entities as follows:

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Profit before income tax	所得稅前利潤	786,036	755,851
Calculated at the PRC statutory tax rate of 25% (2011: 25%)	按中國法定稅率25%計算 (二零一一年：25%)	196,509	188,963
Effect of difference in applicable tax rates	適用稅率差異之影響	(64,391)	(56,032)
Withholding tax on attributable profit	應佔利潤預扣稅	27,682	27,436
Income not subject to tax	毋須課稅之收入	(15,359)	(14,131)
Expenses not deductible for taxation purposes	不可扣稅之開支	4,135	5,376
Tax loss not recognised as deferred income tax assets	未確認為遞延所得稅項資產之 稅項虧損	29	648
Utilisation of previously unrecognised tax losses	使用過往未確認 稅項虧損	(935)	(1,000)
Income tax expense	所得稅開支	147,670	151,260
Representing	相當於		
Income tax expenses from continuing operations	持續經營業務之 所得稅開支	147,670	146,130
Income tax expenses from discontinued operations	已終止經營業務之 所得稅開支	—	5,130
		147,670	151,260

27 所得稅開支(續)

(iii) 中國企業所得稅(續)

本集團扣除稅前利潤之稅項與採用實體利潤適用之加權平均稅率所計算之理論稅額之差異如下：

27 Income Tax Expense (Continued)

(iii) PRC Corporate Income Tax (Continued)

PRC corporate income tax is provided for at 25% (2011: 25%) of the profits for the PRC statutory financial reporting purpose, adjusted for those items, which are not assessable or deductible for the PRC corporate income tax purpose.

Profits tax for other locations has not been provided as the Group did not have any assessable profits in those locations.

28 Profit Attributable to Owners of the Company

The profit attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$152,496,000 (2011: HK\$109,316,000).

29 Earnings Per Share

The weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share for the year ended 31 December 2011 has been retrospectively adjusted for the effect of Share Consolidation completed on 27 May 2011 (note 16(a) (i)).

27 所得稅開支(續)

(iii) 中國企業所得稅(續)

中國企業所得稅乃按中國法定財務呈報利潤之25%(二零一一年:25%)計算,並在對不可就中國企業所得稅目的課稅或扣減之該等項目作出調整後予以撥備。

由於本集團於其他地點並無任何應課稅利潤,故此並無計提該等地點之利得稅撥備。

28 本公司擁有人應佔利潤

計入本公司財務報表之本公司擁有人應佔利潤約為港幣152,496,000元(二零一一年:港幣109,316,000元)。

29 每股盈利

用作計算截至二零一一年十二月三十一日止年度每股基本及攤薄盈利之普通股加權平均數已追溯調整,以反映於二零一一年五月二十七日完成股份合併的影響(附註16(a) (i))。

29 Earnings Per Share (Continued)

(a) Basic

Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.

29 每股盈利(續)

(a) 基本

每股基本盈利乃按年度利潤除以年內已發行普通股之加權平均數計算。

		2012 二零一二年	2011 二零一一年
Continuing operations			
持續經營業務			
Profit for the year from continuing operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔持續經營業務年度利潤(港幣千元)	640,256	594,980
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,821,614	2,818,891
Basic earnings per share (HK cents)	每股基本盈利(港仙)	22.69	21.11
Discontinued operations			
終止經營業務			
Profit for the year from discontinued operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔終止經營業務年度利潤(港幣千元)	—	12,583
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	—	2,818,891
Basic earnings per share (HK cents)	每股基本盈利(港仙)	—	0.45
Profit for the year attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔年度利潤(港幣千元)	640,256	607,563
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,821,614	2,818,891
Basic earnings per share (HK cents)	每股基本盈利(港仙)	22.69	21.56

29 Earnings Per Share (Continued)

(b) Diluted

For the year ended 31 December 2012 and 2011, diluted earnings per share were calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are performance-based share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

29 每股盈利(續)

(b) 攤薄

截至二零一二年及二零一一年十二月三十一日止年度，每股攤薄盈利乃透過對已發行普通股之加權平均數作出調整而計算，並假設轉換所有潛在攤薄普通股。本公司之潛在攤薄普通股為以表現掛鈎之購股權。就購股權而言，已作出按附設於尚未行使購股權之認購權利貨幣值以釐定應可按公允值(以本公司股份平均年度市場股價釐定)收購之股份數目之計算。上文計算之股份數目與假設購股權獲行使而已發行之股份數目已作出比較。

29 Earnings Per Share (Continued)

(b) Diluted (Continued)

		2012 二零一二年	2011 二零一一年
Continuing operations	持續經營業務		
Profit for the year from continuing operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔持續經營業務年度利潤(港幣千元)	640,256	594,980
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,821,614	2,818,891
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	15,000	21,189
		2,836,614	2,840,080
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	22.57	20.95
Discontinued operations	終止經營業務		
Profit for the year from discontinued operations attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔終止經營業務年度利潤(港幣千元)	—	12,583
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	—	2,818,891
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	—	21,189
		—	2,840,080
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	—	0.44
Profit for the year attributable to the owners of the Company (HK\$'000)	本公司擁有人應佔年度利潤(港幣千元)	640,256	607,563
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000 shares)	就計算每股基本盈利之普通股加權平均數(千股)	2,821,614	2,818,891
Adjustments for share options ('000 shares)	對購股權作出之調整(千股)	15,000	21,189
		2,836,614	2,840,080
Diluted earnings per share (HK cents)	每股攤薄盈利(港仙)	22.57	21.39

29 每股盈利(續)

(b) 攤薄(續)

30 Dividends

30 股息

	2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Proposed final dividend of HK4.8 cents per ordinary share (2011: HK4 cents) 建議末期股息每股普通股4.8港仙 (二零一一年：4港仙)	135,442	112,865

At a meeting held on 11 March 2013, the Directors proposed a final dividend of HK4.8 cents per ordinary share (2011: HK4 cents). This proposed dividend is not reflected as a dividend payable in these consolidated financial statements.

於二零一三年三月十一日舉行之會議上，董事建議宣派末期股息每股普通股4.8港仙(二零一一年：每股普通股4港仙)。此項建議股息並未在該等綜合財務報表內反映為應付股息。

31 Notes to the Consolidated Statement of Cash Flows

31 綜合現金流量表附註

(a) Reconciliation of profit before income tax to cash generated from operations:

(a) 扣除所得稅前利潤與經營產生之現金對賬表：

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Profit before income tax	扣除所得稅前利潤	786,036	755,851
Adjustments for:	調整：		
— Depreciation (note 7)	— 折舊(附註7)	135,676	107,128
— Amortisation of leasehold land and land use rights (note 6)	— 租賃土地及土地使用權攤銷(附註6)	4,542	3,660
— Amortisation of intangible assets (note 8)	— 無形資產攤銷(附註8)	3,083	757
— Deferred government grant (note 19)	— 遞延政府補貼(附註19)	(473)	(465)
— Gain on disposals of property, plant and equipment of discontinued operations	— 出售終止經營業務物業、廠房及設備收益	—	(2,490)
— Loss on disposals of property, plant and equipment	— 出售物業、廠房及設備虧損	5,485	4,569
— Share option scheme	— 購股權計劃		
— value of services provided (note 17)	— 所提供服務之價值(附註17)	959	3,136
— Share option scheme	— 購股權計劃		
— options lapsed (note 17)	— 已失效的購股權(附註17)	(1,514)	(637)
— Share-based payment granted by the ultimate holding company (note 17(b))	— 最終控股公司授出以股份基礎的支付(附註17(b))	19,423	—
— Share of profits of associates (note 10)	— 佔聯營公司利潤(附註10)	(17,322)	(19,204)
— Interest income	— 利息收入	(6,192)	(10,181)
— Interest expense	— 利息開支	15,046	49,370
Changes in working capital:	營運資金變動：		
— Inventories	— 存貨	(90,480)	1,352,693
— Derivative financial instruments	— 衍生金融工具	10,468	9,370
— Trade and other receivables (i)	— 貿易及其他應收款(i)	(679,925)	156,551
— Due from related companies	— 應收關聯公司款項	189,922	(687,809)
— Trade and other payables	— 貿易及其他應付款	(35,568)	(489,115)
— Due to related companies	— 應付關聯公司款項	9,238	(351,100)
Cash generated from operations	經營產生之現金	348,404	882,084

31 Notes to the Consolidated Statement of Cash Flows (Continued)

(a) Reconciliation of profit before income tax to cash generated from operations: (Continued)

Note:

- (i) For the year ended 31 December 2012, decrease in cash flows from operations was mainly due to increase in trade and other receivables. Included in such increase, an amount of HK\$315,147,000 represented notes receivable issued and accepted by commercial banks, which will be matured within 6 months and can be discounted upon request.

- (b) Proceeds from sale of property, plant and equipment comprise:

31 綜合現金流量表附註(續)

(a) 扣除所得稅前利潤與經營產生之現金對賬表：(續)

附註：

- (i) 截至二零一二年十二月三十一日止年度，經營現金流量的減少主要由於貿易及其他應收款的增加。上述增加包括商業銀行開具及承兌的應收票據港幣315,147,000元，該票據於六個月內到期並可應要求貼現。

- (b) 出售物業、廠房及設備所得款項包括：

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Net book value disposed (note 7)	出售之賬面淨值(附註7)	36,515	62,289
Loss on disposal of property, plant and equipment (note 23)	出售物業、廠房及設備虧損(附註23)	(5,485)	(4,569)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	31,030	57,720

32 Contingent Liabilities

Save as the financial guarantees discussed in note 34, as at 31 December 2012 and 2011, the Group and the Company did not have any material contingent liabilities.

32 或然負債

除附註34討論之融資擔保外，於二零一二年及二零一一年十二月三十一日，本集團及本公司概無任何重大或然負債。

33 Commitments

(a) Capital commitments

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Contracted but not provided for — purchases of property, plant and equipment	已訂約但未撥備 — 購買物業、廠房及設備	120,267	89,776

The Company does not have any capital commitment as at 31 December 2012 and 2011.

於二零一二年及二零一一年十二月三十一日，本公司概無任何資本承擔。

(b) Operating lease commitments

The future aggregate minimum lease payments of the Group under non-cancellable operating leases are as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Not later than one year	不超過一年	5,879	8,176
Later than one year and not later than five years	超過一年但不超過五年	7,027	19,626
		12,906	27,802

(b) 經營租賃承擔

本集團根據不可撤銷之經營租賃而於未來應付之最低租賃款項總額如下：

34 Financial Guarantees

The Group and the controlling shareholder of the associates has jointly and severally given guarantee to banks in respect of the banking facilities extended to the associates of the Group of approximately HK\$719,571,000 (2011: approximately HK\$528,556,000). As at 31 December 2012, bank loans of approximately HK\$540,141,000 (2011: approximately HK\$470,581,000) being guaranteed by the Group to associates have been drawn down. Under the terms of the financial guarantee contract, the Group and the controlling shareholder of the associates will make payments to reimburse the lenders upon failure of the guaranteed associates to make payments when the bank loans are due.

Terms and face values of the liabilities guaranteed were as follows:

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元 Face value 面值	2011 二零一一年 HK\$'000 港幣千元 Face value 面值
Financial guarantee	融資擔保		
— bank loans drawn	— 已提取銀行貸款	540,141	470,581

The method used in determining the fair value of these guarantees has been disclosed in note 2.24. The fair value of these guarantees was immaterial.

34 融資擔保

本集團及聯營公司控股股東共同及個別就授予本集團聯營公司為數約港幣719,571,000元(二零一一年：約港幣528,556,000元)之銀行授信作擔保。於二零一二年十二月三十一日，該等聯營公司已提取獲本公司擔保的銀行貸款約為港幣540,141,000元(二零一一年：約港幣470,581,000元)。根據融資擔保合約條款，本集團及聯營公司控股股東會就所擔保聯營公司無法在銀行貸款限期還款時，替其償還借款人。

擔保負債之條款及面值如下：

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元 Face value 面值	2011 二零一一年 HK\$'000 港幣千元 Face value 面值
Financial guarantee	融資擔保		
— bank loans drawn	— 已提取銀行貸款	540,141	470,581

用於釐定擔保之公允值方法已於附註2.24內披露。擔保之公允值是微不足道。

35 Related Party Transactions

Transactions between the Company and its subsidiaries have been eliminated on consolidation. Transactions between the Group and other related parties during the year are summarised below:

(a) Transactions with related parties

The following transactions were carried out with related parties in accordance with the terms mutually agreed by the respective parties:

35 關聯方交易

本公司與其附屬公司間之交易已於綜合賬目內抵銷。本集團與其他關聯方於年內之交易概述如下：

(a) 與關聯方之交易

以下乃與關聯方按各訂約方相互協定之條款進行之交易：

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Sales to related parties:			
	向關聯方銷售：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	2,560,827	5,600,119
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之 主要股東控制	13,456	458,809
		2,574,283	6,058,928
Purchases from related parties:			
	向關聯方採購：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	228,648	225,347
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之 主要股東控制	188	45,856
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司 主要股東之近親控制	3,056	—
		231,892	271,203

35 Related Party Transactions (Continued)

35 關聯方交易(續)

(a) Transactions with related parties (Continued)

(a) 與關聯方之交易(續)

		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
Rental expenses paid to a related party: — Controlled by the ultimate holding company	向關聯方支付的租金開支： — 由最終控股公司控制	2,489	4,038
Short-term borrowings received from the Finance Company: — Controlled by the ultimate holding company	從財務公司取得短期借款： — 由最終控股公司控制	234,308	—
Issues of bills through the Finance Company: — Controlled by the ultimate holding company	經由財務公司開具之票據： — 由最終控股公司控制	602,602	—
Discounted bills through the Finance Company: — Controlled by the ultimate holding company	經由財務公司 貼現之票據： — 由最終控股公司控制	188,651	474,690
Interest income on deposits received from the Finance Company: — Controlled by the ultimate holding company	向財務公司收取存款利息收入： — 由最終控股公司控制	4,491	634
Interest expense and bank charges paid to the Finance Company: — Controlled by the ultimate holding company	向財務公司支付利息開支及 銀行費用： — 由最終控股公司控制	5,572	10,214
Consideration paid to a related party for the acquisition of a subsidiary: — Controlled by the ultimate holding company	向關聯方支付 收購附屬公司的代價： — 由最終控股公司控制	—	88,694
Consideration received from a related party for the disposal of property, plant and equipments: — Controlled by a substantial shareholder of the ultimate holding company	向關聯方收取出售物業、廠房及 設備的代價： — 由最終控股公司之 主要股東控制	—	27,180
Share-based payment contribution — Controlled by the ultimate holding company (note 17 (b))	以股份支付支出貢獻 — 由最終控股公司控制 (附註17(b))	19,423	—

35 Related Party Transactions (Continued)

(b) Balances with related companies

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
(i) Due from related companies:	(i) 應收關聯公司款項：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	880,436	1,063,490
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	—	5,714
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東之近親控制	—	1,154
		880,436	1,070,358

As at 31 December 2012, the amount due from related companies including notes receivable of approximately HK\$410,580,000 (2011: HK\$464,442,000).

於二零一二年十二月三十一日，應收關聯公司款項金額包括應收票據約為港幣410,580,000元（二零一一年：港幣464,442,000元）。

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
(ii) Due to related companies:	(ii) 應付關聯公司款項：		
— Controlled by the ultimate holding company	— 由最終控股公司控制	137,419	123,158
— Controlled by a substantial shareholder of the ultimate holding company	— 由最終控股公司之主要股東控制	247	4,045
— Controlled by a close family member of the ultimate holding company's substantial shareholder	— 由最終控股公司主要股東之近親控制	1,948	3,173
		139,614	130,376

35 Related Party Transactions (Continued)

(b) Balances with related companies (Continued)

As at 31 December 2012, the amount due to related companies including notes payable of approximately HK\$36,293,000 (2011: HK\$27,778,000).

The balances due from/to related companies are denominated in RMB, unsecured, interest free and are repayable on demand. No balance due from related companies is past due or impaired.

35 關聯方交易(續)

(b) 與關聯公司之結餘(續)

於二零一二年十二月三十一日，應付關聯公司款項金額包括應付票據約為港幣36,293,000元(二零一一年：港幣27,778,000元)。

應收／應付關聯公司結餘以人民幣列值，並為無抵押、免息且須於要求時償還。概無應收關聯公司結餘逾期或減值。

		Group 本集團	
		2012 二零一二年 HK\$'000 港幣千元	2011 二零一一年 HK\$'000 港幣千元
(iii) Short-term deposits in the Finance Company: — Controlled by the ultimate holding company	(iii) 於財務公司之短期存款： — 由最終控股公司控制	355,411	233,784
(iv) Bills have been issued but not yet due in the Finance Company: — Controlled by the ultimate holding company	(iv) 於財務公司已開具但尚未到期票據： — 由最終控股公司控制	352,288	—
(v) Discounted bills receivable not yet due in the Finance Company: — Controlled by the ultimate holding company	(v) 於財務公司已貼現但尚未到期應收票據： — 由最終控股公司控制	115,861	163,519

Save as discussed in note 9, the Company does not have other balances with related companies.

除附註9所述外，本公司與關聯公司概無其他結餘。

36 Ultimate Holding Company

The Directors regard Shunde Midea, a company incorporated in the PRC, as the ultimate holding company.

36 最終控股公司

董事視順德美的(於中國註冊成立之公司)為最終控股公司。

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		Year ended 31 December 截至十二月三十一日止年度				
		2012	2011	2010	2009	2008
		二零一二年	二零一一年	二零一零年	二零零九年	二零零八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		Audited	Audited	Audited	Audited	Audited
		經審核	經審核	經審核	經審核	經審核
Results	業績					
Revenue	收入	7,787,502	10,490,373	7,235,360	4,960,958	5,310,310
Profit attributable to the owners of the Company	本公司擁有人應佔利潤	640,256	607,563	532,338	353,823	196,429
Assets and liabilities	資產及負債					
Total assets	總資產	6,839,053	6,162,452	6,331,676	3,799,041	2,665,071
Total liabilities	總負債	(3,735,799)	(3,610,278)	(4,356,372)	(2,599,888)	(1,830,524)
Total equity	權益總額	3,103,254	2,552,174	1,975,304	1,199,153	834,547

A wide-angle photograph of a lush green field filled with numerous small yellow wildflowers. The field extends to a distant horizon line. The sky above is a clear, vibrant blue, transitioning to a lighter, hazy blue near the horizon. The overall scene is bright and open, suggesting a natural, rural setting.

Welling

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